



DENTAL INDUSTRY
ASSOCIATION OF CANADA

ASSOCIATION CANADIENNE
DE L'INDUSTRIE DENTAIRE

August 5, 2022

Lindy VanAmburg
Executive Director
Dental Care Task Force
Strategic Policy Branch
Health Canada

By EMAIL

Re: National Dental Plan, Policy and Program Development

Thank you, Lindy, for speaking with myself and Heather as we introduced you and your team to the role that the Dental Industry Association of Canada plays in the delivery of dental healthcare to Canadians. We are very pleased that you have agreed to discuss the concepts of a national dental plan from the point of view of the industry that produces, delivers, and provides products and services to the front-line dental professionals.

Introduction to DiAC:

Since 1978 DiAC, a federally regulated member based “Not For Profit” industry corporation, has been representing our membership and advocating on their behalf on issues that impact the dental community in Canada. Our membership is comprised of six distinct sectors including manufacturers of dental products and sundries, distributors of dental products and services, commercial dental laboratories, professional service providers, dental associations and dental support organizations (DSO) that provide management and administrative support services to dental practices.

Our members are large multinational corporations and small family run businesses, public and private companies, associations, and independent contractors. Our members employ thousands of Canadians in the delivery of superior dental products and services to dental professionals across the country.

Our Board of Directors is comprised of representatives from 15 member companies, that govern the Association on behalf of the members. A smaller group has gathered to discuss the National Dental Plan (NDP) with you and your team, however we have canvassed our whole



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membership for their thoughts, advice, concerns, suggestions for the development of a national program.

General Observations/Comments:

DiAC supports the Federal Government's plan to broaden access to dental healthcare for those in lower income families, children, and seniors. All Canadians deserve access to dental care both preventative and major restorative services. Access to dental health services promotes a person's overall health and well-being which we believe will reduce the demands on the overall health care system.

DiAC applauds the Federal Government's investment of \$5.3 billion to build this program. If created properly this program will benefit children, low-income families, seniors, the overall Canadian healthcare system, dental professionals, and the entire dental industry with broader access to care, increased demand and delivery of quality services and products, thereby improving the oral health of millions of Canadians.

DiAC understands that the plan will kick off in 2023 with children under 12 to be followed by children up to 18 years of age and seniors 65+, with approximately 9.2 million Canadians obtaining dental health care through the federal program by 2025.

DiAC would suggest that other national dental plans in other countries be examined such as the UK and Australia where similar national dental plans were implemented, to learn from their experiences.

DiAC understands that broad consultation is under way. The Canadian Dental Hygienists Association, Denturists Association of Canada, Canadian Dental Association (who are all members of DiAC) have submitted discussion documents/position papers as part of this broader consultation process. Throughout this process, key stakeholder consultation will be vital to the successful delivery of the national dental plan.

DiAC is aware that Health Canada has been in discussions with the insurance industry to understand dental insurance and potential options with private insurers. NIHB program and model is also an option for consideration as it already provides an infrastructure for the delivery of dental services to indigenous people, military, RCMP and other federal employees covered under the federal program.



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DiAC understands that no commitment has yet been made on the delivery mechanism, Federal or Provincial, but we recommend that the same program be rolled out through all provinces and territories whether administered and delivered federally or provincially to ensure dental health equity across the country, standardized treatment coverage and pricing, consistency of approach, uniform data gathering and effective monitoring and reporting.

DiAC is aware that there will be a consultation process on the draft policy in fall 2022, and we would like to be part of that consultation process. Proper consultation of key stakeholders and industry participants is important to ensure cooperation amongst the various parties and execution of the intended outcome of the National Dental Plan. The dental industry in Canada is collaborative and there are many active participants from all the various stakeholder groups, (manufacturers, distributors, labs, dental associations, services, and DSO's) that know each other and support each other's success and the delivery of quality products and services to all dental professionals.

Provincial and Territorial Delivery Model, Federally Funded.

Most of our members believe the National Dental Plan (NDP) should consider supplementing existing provincial and other social dental programs to create less disruption to the industry. In addition, the NDP should take into consideration the varying and unique needs of Canadians in different parts of our country, while keeping the fundamentals of the plan the same for every province.

Accordingly, we are of the view that the NDP should be administered on a provincial basis, with federal funding and oversight. While the current provincial and territorial programs have many shortfalls, including limitations on coverage and scope of preventive services provided, they can be modified and scaled up to handle the increased volume, develop more clinics and determine the needs and delivery in smaller rural communities where there are no public health facilities.

DiAC believes that the best way to ensure access to quality dental care for as many Canadians as possible is for the federal government to work with its provincial and territorial partners to secure their programs and to utilize their preexisting systems to deliver expanded and enhanced federal coverage.



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Insurance Coverage Only

We understand that you have spoken to the Insurance industry and have consulted with them on their offerings and capacity to develop and manage a managed insurance-based plan on behalf of the government. Patients could choose their dental professional, choose their treatment plan based on the terms of the policy and use the existing dental infrastructure, where dental professionals choose their preferred products and services.

DiAC would recommend this as an alternative to the Provincial delivery option based on current provincial and territorial infrastructure with modifications. This would be the least disruptive to the industry and the supply chain as existing products, distribution and management of products would continue.

In summary, whether delivered federally or provincially the program should be fundamentally the same with minor local variances in every province and territory. We also strongly encourage the Federal Government to develop a public education and awareness campaign, as well as a dental professional and industry awareness and education campaign, to ensure a firm understanding and effective delivery of the program. We ask that all national dental associations and national organizations continue to be part of the consultation process, and partners with Health Canada in the delivery of the program.

Dental Procedural Coverage:

As part of the design elements of the policy, consideration should be given to the level of care to be provided to the patient, what the financial coverage will be and what should be provided for preventative dental care and education, minor restorative (composite, Amalgam, extractions), endodontics, periodontics, and major restorative (crowns, dentures, bridges, implants) procedures.

DiAC recommends that prevention, minor and major restorative be included in the plan to accommodate the diversity of the patients, children 12 and under, children 18 and under and seniors. Preventative, orthodontic, minor restorative for the needs of children and preventative, orthodontic, minor and major restorative to address the needs of seniors. Early identification and communication to industry of the procedures to be covered and differences in procedures in each province will ensure that industry has sufficient supply of products needed to support the new plan and product is readily available in each jurisdiction.



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Support for preventative and restorative care: DiAC believes that access to preventative care, such as scaling, teeth cleaning, fluoride treatments, etc., aligned to schedules recommended by the Canadian Dental Association, is critical to good oral health. We also believe restorative care, such as root-canals, caries restoration, and tooth restoration, need to provide for the restoration of natural dentition and has a considerable impact on patient well-being and long-term oral health. We believe that the preventative and restorative aspects of dental care need enhanced and expanded support regardless of what share the federal program takes in order to maximize impact and benefit for all Canadians.

DiAC believes the federal dental program should improve access to preventative and restorative care in alignment with recommended schedules from the Canadian Dental Association.

Professional Coverage and Reimbursements:

Included in the NDP should be consideration of alternative levels of care provided by type of work required and dental professional best suited to perform the work covered under the plan. Reimbursement models for dentists, dental specialists, hygienists, dental technicians, dental assistants, and denturists should be tailored to the service.

Fee guides for all practitioners should be set at current dental fee guide rates to ensure the dental professionals opt in to treating patients on the NDP. If fees are too low, fewer dental professionals will participate in the program and not accomplish the goal of increasing access to care issue for the targeted groups and could potentially lead to sub-standard care, products, and services. The Canadian Dental Association should be consulted about the design of fee guides and use of their claims management software.

A registry of dental offices approved by the Federal Government to work under the NDP would be helpful for patients and industry for ease of patient access, and for industry to support these offices with approved products in a timely manner. A clear understanding of the criteria for dental offices to participate in the NDP should be established.

Dental professionals are for profit enterprises, private entrepreneurs, private and public businesses, with investors, shareholders and owners who expect a return on their investment. Involvement of these professionals should be voluntary and not mandated.



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Employer Based Dental Insurance Plans:

DiAC is concerned about the impact that the introduction of a NDP will have on employer paid private plans.

Many businesses provide their employees with dental coverage, including preventative, minor and major restorative coverage. Coverages are different dependent on the plan design, the role the individual has in the company, percentage of co-pays, deductible and coverage limits which will all impact an employee's access to dental care. Typically, it is the lower wage earners that are impacted the most by the plan's design and payment structure, limiting access to care to what they can afford under the plan. Workers whose family income is under \$90,000 per year may want to opt out of their employer's plan that have high co-pays, deductibles and cover only minor work and instead opt into the NDP. A policy and process needs to be considered for those opting out of private coverage and wanting to enroll in NDP.

There has been discussion on the possibility that the Federal Government will include medical and dental private dental benefits as part of an individual's taxable income. Estimates we have read suggest \$2.4 billion in additional tax dollars would be collected with this change. In our view taxation of private medical and dental plans would only accelerate the transference of low-income Canadians to the NDP and those who opt to stay with private plans will pay more for dental coverage and get less care, not a good outcome if the goal is to increase access and improve oral health care. We recommend that the Federal government include medical and dental benefits as taxable income on individuals who have private medical/dental plans.

Private plans may decide to eliminate coverage for those employees in the lower income brackets with the knowledge that the NDP would be available for their employees. We would recommend a corporate tax surcharge for those employers that dump their dental benefits for their low income employees and force them to the NDP.

Employers may try to offset government reimbursements under the NDP to reduce their costs. First payer should not be the government. If the patient has private insurance that does not cover the full cost of the program, would the government plan be a co-pay for those eligible for the plan?

Any change to employer paid dental plans in conjunction with the launch of the NDP will have a dramatic impact on the number of Canadians who will apply for coverage under the new program.



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Dental Supply Chain in Canada:

Health Canada Medical Devices Directorate is a valued partner to industry in Canada ensuring that safe, tested quality dental products are available and safe for use in Canada. Dental products are medical devices. Our members work with MDD to ensure quality, best practice products come to market. As such products are reviewed and licenced under the MDD Risk Scale with 1 being the lowest risk (manual toothbrush, surgical masks) and not requiring an individual product licence, up to Class IV (dental implants) representing the highest risk classification of the product. All class II – IV products must have a Health Canada medical device licence and in future may also need UDI's.

All distributors of dental products in Canada are also required to have a Medical Device Establishment Licence, in which the distributor is licenced to import and distribute licenced products, provide chain of custody product reporting, be authorized by the manufacturer to sell their products to the dental professional. This chain of custody is key to ensure the safety of the patient, the ability to report adverse events, recalls etc. It is important that a National Dental Plan ensure that non-compliant and counterfeit products do not enter the product supply chain in Canada nor into this program.

Reimbursement of product through private insurance plans for Class II-IV must meet the following criteria:

1. Be registered by Health Canada as a licensed Medical Device in Canada
2. Be prescribed by a recognized medical/dental professional
3. Must be medically necessary
4. It must meet the needs of the patient
5. It must not be investigational or experimental
6. It must be on CRA's list of tax-exempt health expenses.

To ensure access to coverage of dental products we are recommending a review of dental products covered under the new plan. This would benefit patients, ensuring their quality of care. A review of tax exemptions for certain dental products would be beneficial and assist in the development of preventative dental care.

Procurement and prioritization of clinical discretion and patient impact: We believe it is critical that federal involvement in a pan-Canadian dental program ensure clinical choice and patient experience are taken into consideration. Value-based methodologies should be considered when



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the products affect short and long-term patient outcomes, patient or caregiver experiences or health care system costs. It is important to note that improving objectives focused on patient outcomes leads to the optimization of resources and costs. Procurement for dental care products or solutions should be conducted through a model which maximizes the value received from the use of public funds.

A more expensive dental solution may be a higher cost initially but may also save on long-term patient care related costs, staffing time, return visits, and may prevent dental issues from worsening. Some products will reduce the length of patient recovery time improving patient outcomes, and some technologies may reduce risk of infections, or other negative impacts which may result in avoidable dental hospital visits

DiAC recommends that the federal government work with provincial and territorial partners to ensure that value-based methodologies are employed in the pan Canadian dental program ensuring clinician choice, patient experience, and patient outcomes are weighted in procurement of dental technologies.

Clinical discretion of material solution: it is imperative that the program allows for clinical discretion on dental materials used within procedure coverage, as long as the materials have been (a) approved for use in Canada by Health Canada for the indication prescribed, (b) procured through Canada-based third-party distributors who hold valid Health Canada MDL, and (c) who are authorized to re-sell class 1-4 materials by the manufacturer.

DiAC strongly recommends that only solutions approved by Health Canada and procured through authorized distributors be utilized for this program.

Specific DiAC Member Sector Comments:

Commercial Dental Laboratories – Canadian

Dental laboratory technology is the art, science and technology of designing and manufacturing corrective devices for and replacements of natural teeth. A dental laboratory technician communicates and collaborates with the dentist to plan, design and fabricate dental prostheses for individual patients.



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Commercial dental laboratories are in the business of creating dentures, bridges, crowns, orthodontic appliances, implants either through a prescription from a dentist or directly to the patient. The businesses are staffed by dental professionals, denturists, registered dental technologists, dental lab assistants, whose craft creates that perfect set of artificial teeth for the patient. This work is in addition to the work another professional may perform.

Dentures, partials, implants, crowns are typically work that is required for older patients, many seniors whose teeth are failing due to age and in some cases poor dental hygiene. It would be imperative when allowing seniors access to the NDP, that major restorative work be part of the program. This will help to ensure the health of the patient and address fundamental needs such as the ability to eat properly.

Fees and reimbursement for commercial lab work are in addition to any charge a dentist would put through the plan and consideration of how to reimburse laboratories should be part of the NDP. We recommend that this be comparable to market pricing. A compensation structure needs to be in line with Canadian dental lab costs.

Pricing/reimbursement (Fee guide) of the work is a critical factor to ensure that this work is quality work for the patient and that the work stays in Canada rather than driving it offshore to meet a reduced plan fee guideline.

NIHB currently has a basket of services for major restorative, but it is limited and does not allow the patient coverage if they require a denture of superior quality to standard dentures, or if they need implants, easily rectified with an alternate benefit clause in any new program.

The replacement frequency of the NIHB program is once every eight years for complete dentures and metal framework partial dentures, with acrylic partials being every five years. Industry standard for the replacement of an existing prosthesis is every five years and should be included in any new plan.

There is excess capacity in the Canadian dental laboratories to handle the volume that a national dental plan would create, and we would encourage Health Canada to include major restorative work in the design of the plan.

Dental Service Organizations (DSO's)



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For dental practice owners and dental support organizations, success of the National Dental Program (NDP) will greatly depend on the structure of the program and the manner in which is it implemented.

If the NDP is designed to replace or supplement existing provincial and other social dental programs, while concurrently expanding to meet a wider group of individuals that would not otherwise receive access to care, then we view that as a net positive benefit to Canadians.

However, if the NDP focuses on Canadians that otherwise would receive coverage for dental services through a private or employer-sponsored plan, it will disrupt the current dynamics between insurance companies, employers and employees.

For instance, insurance companies may look to have employees first receive coverage under the NDP and then potentially seek to reduce additional coverage levels above the publicly funded plan.

Further, employers may look to reduce the coverage their employees receive in reliance on the NDP coverage.

In both such instances, many Canadians could be at risk of having less overall coverage, lower access to care and a reduction in overall dental care received.

Dental plans are often contributors to the profitability of overall employer-funded health plans, given utilization is often at lower levels than other components (i.e. paramedical services).

Without regular dental care, the likelihood of developing significant oral health issues increases substantially. Oral health is a contributor to preventing other diseases and health issues, so any reduction in dental care received by Canadians would have a negative effect on the overall health of Canadians.

DSO impacts from both a supply and revenue perspective, and thoughts on how the implementation should develop and be administered.

Current government funded dental programs are elective for dentists. If dentists become required to see patients with a lower fee guide or reduced compensation model under the new NDP, this may impact the profitability of their practices. Given the existing inflationary pressures on cost, increasingly challenging environment to find skilled workers and the impact



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of a potential recession on elective, or non-urgent, procedures, this would all lead to greater financial strain on individual dental practice owners. This financial strain would also cause practices to overbook patients to counter the negative effect on profitability, creating additional challenges in retaining skilled workers, and further compromising patient care.

Given the majority of individual dental practices in Canada are not part of a larger group/support organization with proper oversight and audit capabilities, financial strain caused by a lower fee guide or reduced compensation model could impact decision-making when investing in their practices or the quality of supplies they purchase.

These factors would impact the overall level of care delivered by the dental practitioner, and the dental practice, leading to compromised patient care. As mentioned, a reduction in dental care received by Canadians would have a negative effect on the overall health of Canadians.

The NDP should be focused on expanding access to care for lower income Canadians who do not currently have access to dental programs, rather than on replacing existing coverage under private or employer-funded plans

Recommendations:

Dental practice owners and dental support organizations should be involved in setting the appropriate level of coverage, procedures to be covered, and proposed pricing for services delivered. This would help minimize the disruption to and negative impact on the industry as a result of the NDP's implementation.

The delivery of care under the NDP should be heavily guided by active practitioners that understand the challenges of operating a dental practice in today's complex and changing environment.

DSOs are able to play a role in ensuring that there is a well-balanced model created that provides for proper access to care for those that the government wishes to support, while not overburdening individual dental practices with requirements to serve greater numbers of patients at a lower fee guide.

Closing Comments:

This is an enormous task that the Government has undertaken, designing and delivering a National Dental Plan for Canadians in under seven months and we appreciate that there are many organizations and participants in the consultation process. We appreciate the



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opportunity to share our views as we bring a different view of dental health care in Canada to the table.

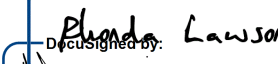
Our members pride themselves in providing best in class products and services to Canadian dental patients. We partner with dental professionals, regulators, dental associations to ensure safe affordable dental healthcare to Canadians and applaud the government in this initiative to broaden care to those most in need.

DiAC would again like to thank you for your time in reviewing this discussion document and look forward to our call on August 30 @10:00 am EST. If you have any questions regarding our comments or require clarification of any aspect of our thoughts and recommendations, please contact us.

Yours truly
Dental Industry Association of Canada

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Cc: The Honourable Jean-Yves Duclos, Minister of Health
DiAC Board of Directors