



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A
GENERAL ELECTION**

Name of policy:	Denticare
Person requesting costing:	Senator Milne
Date of request to cost the policy:	14 August 2013
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	13 August 2013, Senator Milne / Senator di Natale http://greensmps.org.au/content/media-releases/greens-announce-pbo-costed-denticare-policy
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	Introduction of a dental benefits schedule, in a staged approach, accessible to all Australians covering up to \$1000 over two years for routine and therapeutically necessary dental care. It would absorb the Child Dental Benefits Scheme which provides basic dental treatment for children aged 2-17 in families receiving Family Tax Benefit Part A. The phase-in of universal access will occur as follows: • The first year (2014-15) would provide subsidies for dental care to 18 year olds, all recipients of the aged pension and other individuals receiving full benefit income support payments. • The second year will extend the scheme to 19 year olds and all concession card holders would be eligible. • The third year will see 20 year olds and children not eligible or the Child Dental Benefits scheme covered • The fourth year will establish subsidies for routine dental work as universally accessible to all Australians. The proposal would have effect from 1 January 2015, with coverage for all Australians from 1 January 2018.
What is the purpose or intention of the policy?	A dental benefits schedule accessible to all Australians that provides for adequate benefits for all routine and therapeutically necessary dental care; to make access to dental care as affordable and accessible as general primary health care.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package?	No

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If yes, list and outline components and interactions with proposed or existing policies.				
Where relevant, is funding for the policy to be demand driven or a capped amount?	Overall costs demand driven. Benefits are capped per person over a 2-year period.			
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	We propose to keep the approximately \$300m annual funding going to public dental clinics reducing incrementally to 2018-19.			
Are there associated savings, offsets or expenses? If yes, please provide details.	The costs to the public health system of untreated dental disease include over 60,000 potentially preventable hospitalisations per year. The cost savings have been estimated in hundreds of millions.			
Does the policy relate to a previous budget measure? If yes, which measure?	Yes, it builds on the dental reform package announced on 29 August 2012.			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?				
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
Expected impacts of the proposal				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
Estimated financial implications (outturn prices) ^(a)				
	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-15	-759	-1847	-2249
Fiscal balance (\$m)	-15	-759	-1847	-2249
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data				

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sources used to develop the policy)?	
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	Yes, by the PBO on 27 June 2013.
What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	Improved health outcomes across the community.
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Medicare; Department of Health and Ageing
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	Yes. It is an incremental expansion of the existing Medicare system.
Intended date of implementation.	1 Jan 2014 onwards (1 July 2015 for our components)
Intended duration of policy.	Ongoing
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	FAHCSIA Statistical Paper No. 9 on income support customers, Other references include Final Report of the National Advisory Council on Dental Health; AIHW, Oral health and dental care in Australia: key facts and figures 2011.
Are there any other assumptions that need to be considered?	No

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NOTE:

Please note that:

- *The costing will be on the basis of information provided in this costing request.*
- *The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.*