

# Focus on United Kingdom

Author: Michela Adinolfi

The country has played a determinant role in modern history: the UK was the first industrialized country and the center of the scientific revolution



## Overview

The United Kingdom includes the island of Great Britain, consisting of England, Wales and Scotland, and the north-eastern part of Ireland, together with many smaller islands. Moreover the country has 14 British Overseas Territories, the remnants of an empire that lasted until the early 20th century and was the largest ever in history, extending over a quarter of the world's land mass.

The government is a constitutional monarchy and a parliamentary democracy. Besides the Parliament of the United Kingdom, Scotland, Wales and Northern Ireland have a parliament or assembly with devolved administrative powers.

Although the largest share of the population is made up by English, Scottish, Welsh and Irish, the UK has numerous immigrant communities, mostly from the ex colonial territories in the Indian subcontinent and Africa.

The country has played a determinant role in modern history: the UK was the first industrialized country and the center of the scientific revolution, and in 1922 the British Empire had come to encompass about 458 million people, one-fifth of the world's population. Its legacy is evident in the political, legal systems and cultures of the territories once belonging to it.

The UK is a member of the Commonwealth of Nations, the European Union, the G7, the G8, the G20, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the World Bank, the World Trade Organisation and the United Nations.

## Economy updates

During the last century the UK has maintained its status as economic power with considerable international influence. Its capital, London, is one of the world's most important financial centers. Financial services play a very important part in the services sector which, as a whole, contributes over three-quarter of GDP.

Aerospace, automotive and pharmaceutical industries are big in size and in share of R&D and exports. North Sea oil and gas reserves also contribute to the economy, despite the fact that in the last decade UK has become a net importer of both.

According to the latest release by the Office for National Statistics, the UK was the world's 8th largest economy in 2012 in nominal GDP terms. After a decade of rapid growth the emerging economies of Brazil, Russia, India and China have outpaced the UK in GDP size, but not in per capita GDP (where UK stands at \$36,333).

When considering real GDP, without the distortion of price variations, over the last 12 years, UK has seen a marked downturn during the 2007 – 2009 financial crisis, with real GDP falling by 7.2% in about 18 months until mid 2009. The recovery was slow (about 1.2% annual growth) and real GDP still remains below the pre-crisis peak.

However, the pace has significantly changed during the last year. Recently, the IMF has stated that UK economy will grow 2.9% in 2014, the fastest pace among the G7 and one of the best performing western economies. In the first quarter of the year the Office for National Statistics has confirmed 0.8% growth, 3.1% on a yearly basis.

Household spending and companies investments were the main drivers for the growth, which gives hopes that the trend might be sustainable over the long term and both consumer spending and business investment may keep on a confident growing path.

In details, in the first quarter of 2014 household consumption grew by 0,8% (accounting for much of the 0,8% increase in GDP) and business investment grew 2.7%, scoring the fastest growth rate since the same period in 2013.

Among the factors contributing to the increased household expenditure there is an improvement in employment rates that makes many economy experts positive about achieving a permanent recovery. Nevertheless, despite the number of jobs has risen, wages and incomes are expected to recover at a slower pace, lessening the material perception of the end of the recession period for low and middle income level households.

## The National Health System

The healthcare sector is largely dominated by the state-funded and state-run National Health Service (NHS), which operates independently in the four countries of the UK under different administration, rules, and political authority and accountability. They are individually known as:

- National Health Service (England)
- Health and Social Care in Northern Ireland (HSCNI)
- NHS Scotland
- NHS Wales

As a whole, the NHS accounts for over 80% of all healthcare expenditure in the country and it is one of the largest employers in the world with around 1.7 million workers. The main funding source is general taxation and most of the health services provided by the NHS are free for legal UK residents. Despite the separate management, a UK citizen can seek medical treatment under all of the four systems.

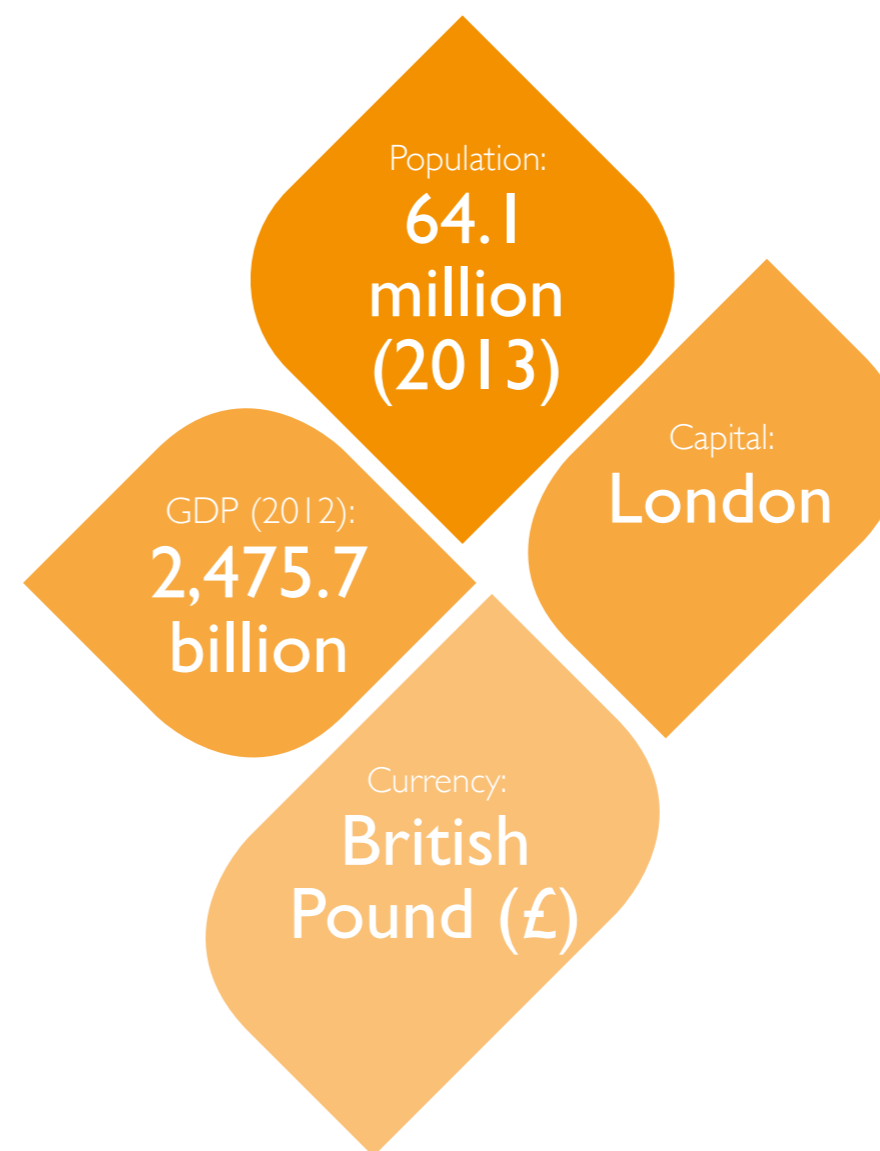
Foreigners are treated under the UK Department of Health with different arrangements but they are entitled to free emergency care, and totally free treatment under particular circumstances (12-month legal residence, taking up permanent residence, claiming asylum and some others). Citizens from EU or other countries with such agreement in place can also receive free treatment through the European Health Insurance Card.

Apart from general taxation, other much smaller sources of funding are National Insurance contributions, overseas visitors insurances, prescriptions and dental treatment fees and logistic hospital services such as parking and telephone. A tiny percentage of revenue for NHS Trusts comes from treating patients privately.

Planned expenditure for 2013/14 is:

- £95,6 bn (US\$162.7bn) for National Health Service (England)
- £4 bn (US\$6.8bn) for Health and Social Care in Northern Ireland
- £11,9 bn (US\$20.2bn) for NHS Scotland
- £5.9 bn (US\$10bn) for NHS Wales

## Country data



While the Parliament sets the overall budget available to the NHS in England, it allocates a general budget for local needs to the devolved national governments, who can determine by themselves the share to spend on healthcare.

Between 1997 and 2009 the healthcare spending level increased on average by 8% every year, but after 2009 this rate has slowed down to 1.6%, and another significant indicator is that volume of healthcare services consumption by UK households fell by 2.4% between 2007 and 2012. Total expenditure on healthcare in 2013 was £132.6 bn (US\$225.6bn). On general terms, the share of GDP spent on healthcare is among the lowest in the G7 group of countries.

## Oral healthcare in the UK

According to the latest EU Manual of Dental Practice, about 40% of primary dental care in the UK is funded by the state system, integrated by patients' co-payments and private treatments. As a result of an increased expenditure on private oral healthcare and the high co-payments required in the public system, 60% of the total oral health spending is currently provided for by private sources.

There are about 39,000 dentists in the UK, with a density of one dentist per 1,936 people, but the actual number of dentists in active practice is around 33,000. The majority of dental care is provided by independent private practitioners from whom the NHS commissions services under the "General Dental Service".

Dentists working in general dental practices are not salaried by the NHS, and they are responsible for their employees and for practice management. Many of them offer both NHS-funded and private services.

There are also a number of professionals in the specialty areas:

Orthodontics	1,338
Endodontics	255
Paediatric Dentistry	236
Pedodontics	334
Prosthodontics	421
Restorative Dentistry	308
Dental Maxillo-facial Radiology	24
Oral Surgery	728
Dental Public Health	114
Oral Medicine	69
Oral and Maxillofacial Path	31
Oral Microbiology	7
Special Care Dentistry	314

(Source: EU Manual of Dental Practice, 2014)

Many of these specialists work in general practices where they can also perform general dentistry, but as specialists they usually receive patients by referral from general dental practitioners or from other specialists.

As for auxiliaries, known in the UK as Dental Care Professionals, there are:

Hygienists	6,374
Technicians	6,323
Clinical dental technicians	251
Dental nurses	50,709
Therapists	2,257
Orthodontic therapists	353

(Source: EU Manual of Dental Practice, 2014)

The breakdown of dental practices shows the predominance of general dental practice over the other types:

General (private) practice	31,615
Public dental service	1,800
University	566
Hospital	2,084
Armed Forces	244
Administrative	250

(Source: EU Manual of Dental Practice, 2014)

Most practices have two or more dentists working together, with dental hygienists and/or dental therapists

There are different arrangements for the provision of dental services according to the country:

### 1. England and Wales

Patients do not need to register with a specific dentist or practice; they pay an annually reviewed fixed charge, divided into monthly payments, based on a Contract Value that is related to a target of activity. The dental charges system contributed £653m (US\$1.1bn) to the NHS budget last year. Additional services may be paid for directly.

### 2. Scotland and Northern Ireland

Patients are registered with a dentist and are charged a co-payment of a fee set by the NHS. Complex treatments with costs over a certain threshold must receive prior approval from a central authority.

In the UK primary dental care is available free of charge for children under 18 years-old, pregnant or nursing mothers, welfare benefiting people and full-time students under 19, while some treatments such as domiciliary care for housebound patients and repairs to dentures are free for all. The primary care dental team includes dentists, dental therapists, dental hygienists, dental technicians, clinical dental technicians and dental nurses.

The Salaried Primary Dental Care Service (SPDCS) provides public oral healthcare to disadvantaged groups with limited access to other dental services. General hospitals and dental teaching hospitals also provide dental treatments, in particular specialist care upon referral.



Urquhart Castle On the banks of Loch Ness in the Highlands of Scotland.  
Robin29091965 / iStock



Scenic view of stream running past Helmsley town with church in background, Ryedale, North Yorkshire, England.

Khizmo / iStock

Oral surgery is the most common dental specialty in outpatient secondary care, accounting for 39% of dental specialty attendances. The share of oral surgery treatment performed in general dental practices is increasing, while orthodontics, already largely provided in this setting, accounts for 28% of dental specialty attendances. For inpatient secondary care, the main attendance is for treatment of dental caries.

Despite the majority of dentists in the UK have some form of contract with the NHS, which is negotiable and individual, there is a growing number of them who only accept privately paid fees. The public provision of dental services is also challenged by demographic pressures, rising public expectations and budget constraints.

There is a geographic distribution of practices that mirrors the concentration of population and also affluence, since higher income households opt for private dental services to reduce waiting times or receive treatment unavailable through the NHS. The most populated areas such as London and its suburbs, and in general the South East region, have a higher density of dental practices and above average earnings.

### The new NHS dental contract: findings from pilot projects

As the process of redefining the contract between dentists and NHS is underway, the objective is to shift the focus of NHS dentistry towards prevention and oral health rather than focusing primarily on treatment and repair. Pilot schemes are exploring two mechanisms:

- Introducing a new clinical pathway based on managing risk, preventive care and encouraging healthy behaviours
- Supporting the pathway by exploring new remuneration models based on the number of patients they care for, and the quality of that care, rather than simply the number of treatments of different types provided.

Some results have been highlighted by the Dental Contract Pilots Evidence and Learning Group, a group of stakeholders and experts set up to oversee the analysis and presentation of the data generated for the dental contract pilots run by the Department of Health.

Seventy NHS dental practices in England began as dental contract pilots between July and September 2011, and further 24 NHS dental practices in England joined the pilot programme in April 2013. They are testing a new prevention based clinical pathway beginning with an oral health assessment (OHA), a comprehensive assessment of the patient's current oral health and medical and lifestyle factors. On this basis, patients will be advised of their oral health risk status based on a red/amber/green (RAG) rating and given preventative advice supported by a self-care plan. Besides any necessary treatment, follow-up appointments for preventive advice and treatment called interim care appointments (Ics) may be planned, together with the next oral health review (OHR) based on their risk status.

In order to support the new care pathway and OHA, three IT systems were developed to collect data from the OHA, including some very well established dental software packages. The data entered into the system at the chairside generate a simple risk indicator named RAG rating (red, amber or green) for each of four important oral conditions. The use of RAG rating linked to evidence from clinical trials and reviews should theoretically provide the clinician with clear evidence-based support, such as advice about the recall interval and ev-

idence-based prevention matched to risks. However, it is not intended to replace the professional's clinical decisions.

In this framework, remuneration models no longer based on the Units of Dental Activity, the current basis for remuneration in NHS, but rather on capitation, namely the number and type of people for whom care is provided. By not explicitly rewarding "operative" treatment, capitation contracts indirectly reward the dentist for preventing it and being able to see more patients, so they should incentivise prevention; of course this has no impact on the duty to properly and timely treat diseases in need of treatment.

### Oral healthcare status of the population

Despite the developed economy and high level of health services, there are wide regional and social differences across the UK when it comes to oral health. There has been a general increase in the number of patients treated by NHS contracted dentists, and their feedback on the experienced care has also improved according to sector surveys.

According to official statistics, between 1998 and 2009 the percentage of non-edentulous adults in England who have reported experiencing one or more problems on the Oral Health Impact Profile scale (OHIP-14, a method to evaluate the social impact of oral disorders) fell by from 51% to 39%.

In 2009 17% of adults with teeth had no evidence of periodontal disease, in particular, good periodontal health was much more prevalent amongst adults under 45 years than in older age groups.

The Health and Social Care Information Centre reported that about 56% of adults (about 30 million patients) and 69% of children (7.8 million) visited a dentist in the two years to June 2013.

### The UK dental market in figures

- The NHS in England spends around £3.4bn per year on dental services; the value of the private market is estimated at £2.3bn per year.
- There are over a million patient contacts with NHS dental services each week.
- About 85% of NHS dental spend occurs in Primary Care
- General Dental Practices treat the majority of the patients: in 2012/13 they carried out 39.3 million NHS dental treatments.
- The number of patients accessing primary care NHS dentistry has increased steadily since 2008, to 29.9 million patients in December 2013.
- In England, 94.8% of adults who tried to get an NHS dental appointment in the last two years were successful. A higher proportion of the population see an NHS dentist in the North, with the lowest levels found in London.
- In 2012/13, 2.7 million outpatient appointments (3.5%) came under a dental specialty. Of these, 1.4 million appointments (1.9%) were under 'Oral Surgery' and 'Oral & Maxillo Facial Surgery'. In the same period, there were 320,000 inpatient consultations (1.8%) under a dental specialty.
- In 2011-12, there were 209,874 inpatient admissions for which the primary operative procedure was dental. About half were for caries, but their distribution varied with income level: amongst the wealthier 10% of the population caries accounted for 31.9%, amongst the most deprived 10% for 61.2%.



**Private dental care** - Most dental practitioners provide some form of private care, either contracting privately with their patients or adding privately paid treatments under a course of NHS care. The dentist usually charges the patient a fee that must be explicit and can be individually set.

Private dental insurance is very limited, and mostly arranged as personal schemes with premiums paid directly to the insuring company. The sector is not regulated and each company can set its own fees, establishing the standard scales and coverage conditions for its members. According to a recent report by analysts Laing & Buisson, about one in four patients pays entirely out-of-pocket for their dental treatments. Among the main findings of the report there were the following interesting figures:

- private patients account for 51% of dentists' income, up from 38% in 1998: while the proportion of private patients hasn't grown substantially, their contribution to dentists' income has risen;
- more than a quarter of UK dental patients pay privately for dental care including specialist and cosmetic treatments;
- 75% of them pays out-of-pocket directly at the moment of receiving care, the rest use systems of regular contribution plans;
- wide variations occur in the cost of dental treatments with private charges, that range from almost two to six times the NHS rate;
- the private dental market is valued at £1.9billion (US\$3.2bn) a year, although the figure is not officially recognized;
- corporate dentistry (groups of three or more practices) is now represented by 6,950 dentists in the UK and is valued at £1.3bn (US\$2.2bn) for 2013/2014.
- the dental insurance market in the UK was estimated to be worth £719m (US\$1.2m) in 2012; it is seeing an increase due to stronger demand, particularly by employers: dental insurance made up 13% of the total dental plan spend in 2012, up from 9% in 2007;
- real spending on dental plans plans dropped by only 2% in real terms between 2008 and 2012 and was less affected by the economic downturn than out-of-pocket payments.

Some of these figures have been questioned in some points by Dr John Renshaw, Chair of the Executive Board of the British Dental Association, who stated that according to BDA research, 65% of dentists still earn more than 75% of their income from the NHS.

Dr Renshaw explained that since most family dentists provide both NHS and private care, patients opt for private treatments more frequently due to rising expectations and a wider range of treatments offered that are not generally available on the NHS, for example white fillings, bonded crowns, and increasingly, implants and whitening. Citing a report by dental marketing agency Manan Limited, an article on Dentistry.co.uk showed some of the current forecasts for the private dental market in the next few years. The agency estimated 2.5% growth between 2014 and 2016, and an acceleration in 2017-18 led by a more favourable economic climate and increased disposable income. The report predicted an overall five-year forecast of 14% growth, with some peaks for particular specialties such as the market cosmetic dentistry, expected to grow by 21% over the same period.

**Sources:**

ONS, "The UK has one of the fastest growing economies in the G7" - <http://www.ons.gov.uk/ons/rel/elmr/gdp-and-the-labour-market/q1-2014-may-gdp-update/sty-gdp-g7-economies.html>  
Reuters, "Stronger household spending and investment drive UK first-quarter growth" - <http://uk.reuters.com/article/2014/05/22/uk-britain-economy-idUKKBN0E20PX20140522>  
BBC, "UK economic growth confirmed at 0.8%" - <http://www.bbc.com/news/business-27516396>  
ONS, "Expenditure on healthcare in the UK: 2012" - <http://www.ons.gov.uk/ons/rel/psa/expenditure-on-healthcare-in-the-uk/2012/art-expenditure-on-healthcare-in-the-uk-2012.html#tab-Key-Points>  
NHS, "Improving Dental Care and Oral Health – A Call to Action Evidence Resource Pack" - <http://www.england.nhs.uk/wp-content/uploads/2014/04/cta-dent-evid-pack.pdf>  
NHS, <http://www.hscic.gov.uk/catalogue/PUB14142/nhs-dent-stat-eng-2013-14-thir-quar-rep.pdf>  
Department of Health, "NHS dental contract pilots – Learning after first two years of piloting" [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/282760/Dental\\_contract\\_pilots\\_evidence\\_and\\_learning\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/282760/Dental_contract_pilots_evidence_and_learning_report.pdf)  
Council of European Dentists, "EU Manual of Dental Practice, 2014"  
UKTI, "The UK Medical Technology Opportunity" [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/301784/UK\\_Medical\\_Technology\\_Brochure.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301784/UK_Medical_Technology_Brochure.pdf)  
Daily Mail, "Dentists cash in as a quarter of patients pay for private care" <http://www.dailymail.co.uk/health/article-153913/Dentists-cash-quarter-patients-pay-private-care.html>  
BDA, "Growth of private dentistry driven by rising patient expectations", <http://www.bda.org/news-centre/press-releases/755-Growth-of-private-dentistry-driven-by-rising-patient-expectations.aspx>  
Dentistry, "Strong growth predicted for dental sector" <http://www.dentistry.co.uk/news/strong-growth-predicted-dental-sector>

