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# Control of payments from the new subsidised dental care scheme

- A review of how the Swedish  
Social Insurance Agency  
manages them

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# Summary

The Swedish Social Insurance Inspectorate (ISF) has reviewed how the Swedish Social Insurance Agency (henceforth the Agency) handles the control of payments made from the new subsidised dental care scheme, which was implemented on 1 July 2008. The reform meant that dental practitioners no longer have to apply for subsidy prior to treatment; instead it is paid out post-treatment according to a reference price list. The handling of the process has become automated and the accuracy of the payments should be ensured via ex-post controls.

The implementation of the reform and development of the required IT-system was conducted under time pressures. As a consequence the control function was set aside as the primary goal was to ensure that the dental practitioners were receiving subsidies from the new system. However, this review does not focus on the build-up of the system but the control aspects of the dental care scheme.

The costs for the build-up of the system were extensive; up until 2009 the costs were estimated to have exceeded 360 million SEK. However, the documentation of the system remains poor, which makes it difficult to appreciate its effectiveness.

In the government bill preceding the new subsidised dental care scheme it was requested that deviant billing patterns should be investigated through data mining. The review shows that the Agency does not do this, although such patterns can be detected with information from the current IT-system.

The ex-post controls run by the Agency show methodological deficiencies in selection as well as monitoring. Although more than 100,000 patient calls are screened on a yearly basis, there is no comprehensive knowledge of risks in the dental care scheme. While some dentists are checked frequently, without any errors being detected, the vast majority are seldom or never checked. The Agency

detects few indications of fraud and error and does not have a systematic approach for handling indications that are detected. Consequently, few cases are investigated, and the outcome of the investigations is not often reported back to the dental practitioners. Furthermore, ex-post controls have transpired to be uneconomic as the costs of maintaining the controls are higher than the apparent return.

The report shows that the economic incentives for dental practitioners to report accurately are low. This is due to the fact that the majority of dental practitioners are less likely to be screened by the Agency. Another reason is that the Agency does not use its power to issue sanctions. The risk of over-exploitation of the dental care scheme increases if there are weak incentives to report accurately, which puts the legitimacy of the system at risk.

In conclusion, a new approach to control of the subsidised dental care scheme is needed. ISF suggests that the Agency takes the following into consideration

- improve documentation of automated controls
- use data-mining to find signs of system over-exploitation
- focus on preventing incorrect payment of larger subsidies rather than minor transactions
- conduct randomised ex-post controls to ensure the effectiveness of the system.

These changes should contribute to better accuracy in the control system as well as improving knowledge of the scale of errors made and increasing legitimacy for the system among dental practitioners. These changes can be implemented with short notice without increasing costs and should have a direct positive effect on the profitability of the control system.