

## CED RESOLUTION

# Corporate Dentistry in Europe

NOVEMBER 2018

## I - INTRODUCTION

The Council of European Dentists (CED) is a European not-for-profit association which represents over 340,000 dentists across Europe. The association was established in 1961 and is now composed of 32 national dental associations from 30 European countries.

The growth of corporate dentistry in Europe is a significant development as regards the provision of dental care and treatment. It has implications for oral health policy as well as carrying professional, legal and commercial implications for dentists who are contracted by these organisations.

The CED is concerned that profit-driven interests which are driving the business model of such organisations may impact patient safety<sup>1</sup> overall, through a variety of factors including provision of care, treatment and employment conditions. Case studies in Spain and France have shown worrying examples of dental chains' disregard for patient safety, leaving patients without proper care and in some instances even harming them.

This paper details the CED concerns and position on the issue of corporate dentistry.

## II – CORPORATE DENTISTRY AND MARKET DEVELOPMENT

Corporate dentistry refers to organisations that usually set up dental offices in a number of locations, which can be in the same country or across different countries, recruit and engage dentists and are usually run by investment companies, with a main interest in return on investment instead of delivering good dental care to patients. Often, these organisations are not headed by a dentist but by a non-dentist manager. Such organisations can include, but are not limited to, dental clinic chains, non-for profits, charities, social enterprises, and for-profit social enterprises.

Private equity firms interested in what they consider an investment opportunity have started to buy individual practices and smaller groups of practices to form chains in a number of countries. As a consequence, dental groups are expanding and opening offices in different countries in the EU, some employing up to 1000 dentists across a number of countries. Such companies have branches in Switzerland, Norway, Sweden, Denmark, Finland, Italy, Germany, Belgium, the Netherlands, France and the UK with the goal of establishing large dental chains in Europe.<sup>2</sup>

Across Europe, it appears that dental groups are most prevalent in Finland, where dental chains account for 35% of practices (in terms of numbers of dentists). Other countries with a large proportion of dental chains are the UK (24%) and Spain (25%).<sup>3</sup>

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<sup>1</sup> *Definition of patient safety: freedom, for a patient, from unnecessary harm or potential harm associated with healthcare*; Taken from the 2009 Council Recommendations on patient safety, including the prevention and control of healthcare associated infections

<sup>2</sup> Colosseum Dental, Management appointment at Colosseum Dental Group, 28 May 2018, <http://www.colosseumdental.com/press/management-appointments-at-colosseum-dental-group-2/> / DentConnect, <https://www.dentconnect.nl/?language=3>

<sup>3</sup> KPMG, The dental chain opportunity, 2017: <https://home.kpmg.com/xx/en/home/insights/2017/05/the-dental-chain-opportunity.html>

### III - CED CONCERN

#### *Risk to the patients*

The CED is primarily concerned about the safety of patients and the continuity of care offered to them. In this regard, the CED fears that the commercial drivers that are the foundation of the business model in corporate dentistry may, in fact, be detrimental to the health and well-being of patients.

A number of countries have already seen negative impacts on patients as a consequence of the methods employed by dental chains, where treatment decisions were taken on the basis of profit-driven considerations or even by persons without the appropriate professional qualifications. Worrying accounts from dental chains that were shut down in France and Spain reveal unethical practices and undue pressure on dentists to reach specific clinical targets, for example of quotas for placed implants. This has led to a string of court cases and caused great suffering to those patients that were mistreated and misled.<sup>4</sup>

In 2017, the Spanish dental chamber (Consejo General de Colegios de Odontólogos y Estomatólogos de España) reviewed the patient complaints that were received by the official Spanish dental associations and came to the conclusion that half of all patient complaints between 2013 to 2015 were related to dental chains even though they represented only 4 percent of dental practices in Spain then.

Some chains have resorted to aggressive marketing campaigns which misled patients. During such efforts, patients were confronted with inflated prices and deceptive discounts. The forced closure of a number of chains due to unethical behaviour and financial misconduct has left patients with unfinished treatments that were already paid for and led to great disruptions in the lives of these patients<sup>5</sup>. Through advertising and on-site pressure, such establishments may also push for treatments that are not medically necessary, thereby incurring additional costs for the respective healthcare systems and potential harm to the patient.

#### *Risk to the workforce*

It is evident that a business model that only relies on large profits keeps pushing, and may sometimes overstep, the ethical boundaries regarding patients but also the treatment of its workforce. Complaints were made were dentists employed by dental chains who worked more than 12 hours a day, sometimes without being paid. Legal regulations regarding breaks and time off work were not respected. It has been recorded that absences due to anxiety and overload were extremely frequent. Clinical targets were also imposed on employed dentists<sup>6</sup>.

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<sup>4</sup> Natalie Huet, France's revolt of the toothless, 26 July 2016, Politico, <https://www.politico.eu/article/revolt-of-the-angry-french-toothless-sans-dents-dentexia/>

<sup>5</sup> See for example:

- Dentexia: <https://www.politico.eu/article/revolt-of-the-angry-french-toothless-sans-dents-dentexia/>;
- FunnyDent: [https://www.abc.es/sociedad/abci-relatan-varios-clientes-estafa-funnydent-entre-porque-dolia-muela-y-sali-sin-media-boca-201602080716\\_noticia.html](https://www.abc.es/sociedad/abci-relatan-varios-clientes-estafa-funnydent-entre-porque-dolia-muela-y-sali-sin-media-boca-201602080716_noticia.html);
- iDental: [https://elpais.com/ccaa/2018/08/03/madrid/1533318305\\_162005.html](https://elpais.com/ccaa/2018/08/03/madrid/1533318305_162005.html)

<sup>6</sup> See examples above

### *Risk to the healthcare system*

There is an inherent systemic risk to the provision of dental care where a chain or corporate entity providing dental care to a region or a large proportion of the population ceases its activities for whichever reason. Patients may be left without accessible care if the presence of the chain had previously led to a reduction of other dental practices in that area. Investors often apply the so-called buy and build strategy, where they buy – in this case - practices (often pricing regular dentists out of the bid), then try to expand and sell at a profit after a few years. This runs contrary to the need for a long-term planning of healthcare systems.

## **IV - CED POSITION**

While we recognise that the set-up of the dental practice may change in the future and that more reliable data is needed when it comes to dental chains, it is imperative that patient safety is safeguarded at all times. Therefore, the primary relationship in the delivery in dental care must always remain between the dentist and the patient who collaborate to develop strategies to ensure beneficial health outcomes. Profit-driven considerations must not impact the treatment decisions taken in that setting.

The CED therefore calls for the following:

- Where legal persons established under private law are allowed to practice dentistry, these legal persons should only be founded and operated by dentists;
- Dentists, who are shareholders, should practice as dentists in the company;
- It should also be ensured that:
  - a) the company is run responsibly by a dentist; Chief executives have to be dentists;
  - b) the majority of the shares and voting rights are entitled to dentists;
  - c) companies must not have a main interest in return on investment instead of delivering good oral care to patients;
- Corporate entities or investors must not hinder dentists from fulfilling their obligations as set out in the applicable code of ethics and national legislation;
- Corporate entities must not use their legal status to deprive patients of their right to seek redress where they raise concerns about their care and treatment;
- Corporate entities or investors must not have any influence on the treatment decisions taken by the dentist with the consent of the patient and must not be allowed to introduce clinical targets;
- Corporate entities or investors may not mislead patients through false advertisement and prices or deceptive financing schemes. Corporate entities must not mislead patients about the ownership of the clinic.

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**Unanimously adopted by the CED General Meeting on 16 November 2018**