

SENATE BILL REPORT

SB 6275

As of January 25, 2016

Title: An act relating to dental office support services.

Brief Description: Concerning dental office support services.

Sponsors: Senators Rivers and Keiser.

Brief History:

Committee Activity: Health Care: 1/25/16.

SENATE COMMITTEE ON HEALTH CARE

Staff: Evan Klein (786-7483)

Background: Practice of Dentistry. Dentists are licensed and regulated in Washington by the Dental Quality Assurance Commission. The practice of dentistry is defined as:

- representing oneself as being able to diagnose, treat, or remove stains and concretions from teeth; or operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the human teeth, alveolar process, gums, or jaw;
- offering or undertaking to diagnose, treat, or remove stains or concretions from teeth; operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the same; or taking impressions of the teeth or jaw;
- owning, maintaining, or operating an office for the practice of dentistry;
- engaging in any of the practices included in the curricula of recognized and approved dental schools or colleges; or
- professing to the public by any method to furnish, supply, construct, reproduce, or repair any prosthetic denture, bridge, appliance, or other structure to be worn in the human mouth.

Corporations are prohibited from practicing dentistry or soliciting dental patronage for dentists employed by a corporation. This restriction does not apply to corporations or associations that furnish information or clerical services to a licensed dentist, so long as the information or services can be furnished by unlicensed persons and the dentist assumes full responsibility for the information and services.

Summary of Bill: Practice of Dentistry. Several definitions were added to the dental statute:

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1. The "clinical" practice of dentistry is defined as representing one's self as being able to diagnose and treat certain conditions of the human teeth, or as offering or undertaking the diagnosing or treating of the human teeth.
2. "Dental practice" is defined as a business operation that engages in the clinical practice of dentistry.
3. "Dental practice owner" is defined as a licensed dentist who owns a dental practice as a sole proprietor or a professional entity.
4. "Nonclinical" is defined as any activity that is not defined as the clinical practice of dentistry, including:
 - a. ownership or leasehold of assets used in a dental practice; including real property, furnishings, equipment, instruments, materials, supplies, and inventory; but not including the dental practice or dental records of patients;
 - b. employing or contracting for the services of personnel other than licensed dentists and licensed dental hygienists;
 - c. management of the business or administrative aspects of a dental practice; and
 - d. receiving fees for nonclinical services.
5. "Professional entity" is defined as a professional corporation or other entity that is wholly owned by one or more licensed dentists.

Corporations, other than a professional entity, are prohibited from practicing dentistry or soliciting dental patronage for dentists employed by a corporation. This restriction does not apply to corporations or associations that furnish real property, furnishings, equipment, instruments, materials, supplies, inventory, or nonclinical services to a licensed dentist, so long as the information or services can be furnished by unlicensed persons and the dentist assumes full responsibility for the information and services.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Dental Support Services provide administrative services to dentists to allow them to focus on the clinical practice of dentistry. The business model of Gentle Dental is a good model that allows dentists to focus on their clinical practice and not worry about administrative work. Contracting with a dental service organization allows new and younger dentists to practice without having to deal with overhead. These organizations do not get involved in advising dentists how to practice. This legislation is modeled after Oregon, Alaska and other states that have modernized their laws. This bill does not allow for the corporate practice of dentistry. Dentists are signing willing contracts to participate in these agreements. This does create competition for traditional dentists. Clinical group care business models, that are not DSOs, also benefit from this bill.

CON: At least one DSO has filed a contract complaint with the WSDA. No one would be responsible for the oversight of the nonclinical practice of dentistry. This diminishes DQACs authority to regulate the practice of dentistry. It re-categorizes certain things as patient care,

as outside the definition of the practice of dentistry. This increases the risk of fraud and abuse in Washington. The federal government finds that DSOs raise the risk of fraud and abuse. They participate in cult marketing. In 2013, the U.S. Senate issued a report on the corporate practice of dentistry. They are providing more than administrative dental services. This bill would deplete and weaken Washington's law. This bill allows for a professional entity to engage in the business aspects of a dental practice. Allowing this will effect patient care without oversight and erode statute.

OTHER: There is a need to protect franchise models, such as Comfort Dental. This model provides a lot of benefit for students, including students dealing with expansive student debt.

Persons Testifying: PRO: Matthew Sinnott, Willamette Dental Group; Dr. Karen Sheppard, Kirkland Gentle Dental; Dr. Brian Polillo, Owner Doctor Lynnwood Crossroads Modern Dentistry; Dr. Jeffrey Sulitzer, Interdent; Roman Daniels-Brown, Pacific Dental Services.

CON: Alex Hur, Statewide Poverty Action Network; Brad Tower, Emily Studebaker, Dr. Cindy Pauly, Carrie Tellefson, Washington State Dental Association.

OTHER: Amber Lewis, Comfort Dental; Graig Bears, Comfort Dental.

Persons Signed In To Testify But Not Testifying: No one.