
SUBSTITUTE HOUSE BILL 1514

State of Washington 64th Legislature 2015 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jenkins, Manweller, and Cody)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to dental office support services; amending RCW
2 18.32.010 and 18.32.020; and adding a new section to chapter 18.32
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 18.32.010 and 1994 sp.s. c 9 s 202 are each amended
6 to read as follows:

7 ~~((Words used in the singular in this chapter may also be applied
8 to the plural of the persons and things; words importing the plural
9 may be applied to the singular; words importing the masculine gender
10 may be extended to females also; the term "commission" used in this
11 chapter shall mean the Washington state dental quality assurance
12 commission; and the term "secretary" shall mean the secretary of
13 health of the state of Washington.)) The definitions in this section
14 apply throughout this chapter unless the context clearly requires
15 otherwise.~~

16 (1) "Commission" means the Washington state dental quality
17 assurance commission.

18 (2) "Dental practice" means any individual, entity, or office
19 engaged in any of the activities constituting the practice of
20 dentistry, as defined in RCW 18.32.020.

1 (3) "Dental practice owner" means a dentist licensed under this
2 chapter who owns a dental practice as a sole proprietor or a
3 professional entity that owns a dental practice.

4 (4) "Professional entity" means a professional corporation or
5 other entity that is wholly owned by one or more dentists licensed
6 under this chapter.

7 (5) "Secretary" means the secretary of health.

8 **Sec. 2.** RCW 18.32.020 and 2011 c 336 s 477 are each amended to
9 read as follows:

10 (1) A person practices dentistry, within the meaning of this
11 chapter, who (~~(1)~~) (a) represents himself or herself as being able
12 to diagnose, treat, remove stains and concretions from teeth, operate
13 or prescribe for any disease, pain, injury, deficiency, deformity, or
14 physical condition of the human teeth, alveolar process, gums, or
15 jaw, or (~~(2)~~) (b) offers or undertakes by any means or methods to
16 diagnose, treat, remove stains or concretions from teeth, operate or
17 prescribe for any disease, pain, injury, deficiency, deformity, or
18 physical condition of the same, or take impressions of the teeth or
19 jaw, or (~~(3)~~) (c) owns, maintains, or operates an office for the
20 practice of dentistry, or (~~(4)~~) (d) engages in any of the practices
21 included in the curricula of recognized and approved dental schools
22 or colleges, or (~~(5)~~) (e) professes to the public by any method to
23 furnish, supply, construct, reproduce, or repair any prosthetic
24 denture, bridge, appliance, or other structure to be worn in the
25 human mouth.

26 (2)(a) An entity or person, including an investor, consultant, or
27 dental service organization, may not have an equity interest or
28 investment in a dental practice operating in this state, either by
29 direct or by indirect means, unless he or she is a dentist licensed
30 under this chapter. An entity or person who is not licensed as a
31 dentist under this chapter may not be compensated for services with a
32 share of revenues, profits, or proceeds upon sale or liquidation of a
33 dental practice.

34 (b) A person does not practice dentistry within the meaning of
35 subsection (1)(c) of this section if he or she: (i) Provides to a
36 dentist a customary business loan or a financing lease of equipment
37 at usual terms and rates; or (ii) secures a customary business loan
38 or a financial lease of equipment with security interests in the
39 tangible assets of the dental practice.

1 (c) An entity or person not licensed as a dentist under this
2 chapter may provide ordinary consulting and clerical services to a
3 dentist if: (i) Such services are compensable only through regular
4 fees not involving a share of revenues, profits, or proceeds upon
5 sale or liquidation of the dental practice; and (ii) the services are
6 subject to cancellation prospectively by the dentist at any time
7 without special charge or penalty.

8 (3) The fact that a person uses any dental degree, or
9 designation, or any card, device, directory, poster, sign, or other
10 media whereby he or she represents himself or herself to be a
11 dentist, shall be prima facie evidence that such person is engaged in
12 the practice of dentistry.

13 (4) X-ray diagnosis as to the method of dental practice in which
14 the diagnosis and examination is made of the normal and abnormal
15 structures, parts, or functions of the human teeth, the alveolar
16 process, maxilla, mandible or soft tissues adjacent thereto, is
17 hereby declared to be the practice of dentistry. Any person other
18 than a regularly licensed physician or surgeon who makes any
19 diagnosis or interpretation or explanation, or attempts to diagnose
20 or to make any interpretation or explanation of the registered shadow
21 or shadows of any part of the human teeth, alveolar process, maxilla,
22 mandible or soft tissues adjacent thereto by the use of X-ray is
23 declared to be engaged in the practice of dentistry, medicine, or
24 surgery.

25 (5) The practice of dentistry includes the performance of any
26 dental or oral and maxillofacial surgery. "Oral and maxillofacial
27 surgery" means the specialty of dentistry that includes the diagnosis
28 and surgical and adjunctive treatment of diseases, injuries, and
29 defects of the hard and soft tissues of the oral and maxillofacial
30 region.

31 NEW SECTION. Sec. 3. A new section is added to chapter 18.32
32 RCW to read as follows:

33 (1) A contract between a licensed dentist or dentists,
34 professional corporation, or professional limited liability company
35 with an individual, association, partnership, or other entity not
36 owned entirely by one or more licensed dentists must comply with the
37 following:

1 (a) The contract may not manage, affect, or limit treatment
2 decisions, decisions on patient referrals, or decisions on materials,
3 instruments, or equipment utilized in treatment;

4 (b) The contract may not interfere with the dentist's ability to
5 make final decisions on advertising, patient communication, and
6 billing;

7 (c) The contract must be transparent to the commission, the
8 dentist, the dentist's professional entity, the dentist's patients,
9 and, to the extent determined by the commission, the public and
10 prospective patients of the dentist;

11 (d) The contract may only provide for compensation on a fee-for-
12 service basis that is fair and reasonable and without any direct or
13 indirect equity interest in the dental practice by the consulting
14 individual or entity. In no event may the fees and reimbursed
15 expenses be measured by a share or percentage of the revenues,
16 profits, or business volume of the practice or the proceeds of sale
17 if the practice is sold;

18 (e) The agreed duration of the contract or arrangement must be
19 for a term of one year or less without automatic renewal or optional
20 renewal by the consultant, and the contract or arrangement must be
21 terminable by the dentist or professional entity at any time upon
22 payment of a termination fee not to exceed twenty-five thousand
23 dollars;

24 (f) No extra fee or penalty may apply to a nonrenewal of the
25 contract;

26 (g) Revenues of the practice belong solely to the dentist or
27 professional entity. Services of the consultant or support
28 organization are as an agent only;

29 (h) The contract may not include a noncompetition covenant for
30 the benefit of the consultant or support organization;

31 (i) The dentist or professional entity exclusively controls every
32 decision about sale of the practice or expansion or discontinuance of
33 its business; and

34 (j) The dentist or professional entity and the consultant or
35 support organization consent to provide copies of all contracts and
36 relevant documents to the commission upon request.

37 (2) The commission may adopt and enforce any rules it determines
38 to be necessary and appropriate to ensure compliance with this
39 section. The commission may investigate violations of this section
40 with or without a complaint.

1 (3) For purposes of this section, "contract" includes a contract,
2 consulting agreement or arrangement, or dental support or management
3 agreement.

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