# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

# **Health Care & Wellness Committee**

# **HB 2229**

**Brief Description**: Concerning the applicability of dental practice laws to integrated care delivery systems.

Sponsors: Representative Macri.

### **Brief Summary of Bill**

• Exempts licensed health care service contractors that are organized as nonprofit integrated care delivery systems from provisions that prohibit corporations from practicing dentistry or from soliciting dental patronage for dentists employed by a corporation.

Hearing Date: 1/30/18

Staff: Kim Weidenaar (786-7120).

## **Background:**

#### Practice of Dentistry.

Dentists are licensed and regulated by the Dental Quality Assurance Commission (Commission). No person may practice dentistry without first obtaining a license. The practice of dentistry is defined as:

- owning, maintaining, or operating an office for the practice of dentistry;
- representing oneself as being able to diagnose, treat, remove stains and concretions from teeth, 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, 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;
- engaging in any of the practices included in the curricula of recognized and approved dental schools or colleges; or

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• 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. However, a person or entity not licensed by the Commission may:

- own or lease any assets used by a dental practice, including real property, furnishings, equipment, instruments, materials, supplies, and inventory, excluding dental patient records;
- employ or contract for the services of personnel other than licensed dentists, including licensed dental hygienists, licensed expanded function dental auxiliaries, certified dental anesthesia assistants, and registered dental assistants;
- provide business support and management services to a dental practice, including as the sole provider of the services; and
- receive fees related to ownership or leasehold of assets, employment of personnel, and business support and management services provided to a dental practice, calculated as agreed to by the dental practice owner.

#### <u>Uniform Disciplinary Act.</u>

A person not licensed as a dentist, or an entity that is not a professional entity, practices dentistry in violation of the law and is subject to enforcement under the Uniform Disciplinary Act (UDA) if it interferes with a dentist's independent clinical judgment by:

- limiting the time spent with a patient or performing dental services, or placing conditions on the number of patients treated or procedures completed;
- limiting or imposing requirements on: a dentist's treatment decisions; the manner in which a dentist uses equipment or materials; the use of a laboratory or materials, supplies, instruments, or equipment necessary to provide diagnoses and treatment consistent with the standard of care; professional training necessary to serve patients; referrals to other practitioners; advertising, if it would result in a violation of the dentistry law or the UDA; or
- communicating with patients; or interfering with access to patient records or a refunding of a payment.

Under the UDA, the Secretary of Health investigates complaints regarding unlicensed practice and may issue a cease and desist order and impose a fine of up to \$1,000 per day. Unlicensed practice is also a gross misdemeanor for the first violation and a class C felony for subsequent violations.

#### Health Care Service Contactor.

A health care service contractor is an entity that accepts prepayment for health care services from, or for the benefit of, enrollees as consideration for providing the enrollees with health care services. A health care service contractor offering coverage to individuals or small groups is required, under the federal Patient Protection and Affordable Care Act, to cover ten categories of essential health benefits. A health care service contractor is defined as any corporation, cooperative group, or association, which is sponsored by or otherwise intimately connected with a provider or group of providers, who or which, not otherwise being engaged in the insurance business, accepts prepayment for health care services from or for the benefit of persons or groups of persons as consideration for providing such persons with any health care services. It does not

include direct patient-provider primary care practices, which provide patients all primary care services provided in the health care practitioners office for a set fee, regardless of the number of visits. Patients pay a monthly fee directly outside of any insurance the individual may have.

## **Summary of Bill:**

A Licensed health care service contractor that is organized as a nonprofit integrated care delivery system is exempted from the provision that prohibits corporations from practicing dentistry or from soliciting dental patronage for dentists employed by a corporation. These entities are still subject to other limits on unlicensed individuals or corporations including the prohibitions on interfering with a dentist's clinical judgement.

**Appropriation**: None.

**Fiscal Note**: Not requested.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.