

# SENATE BILL REPORT

## SHB 2229

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As Reported by Senate Committee On:  
Health & Long Term Care, February 22, 2018

**Title:** An act relating to the applicability of dental practice laws to integrated care delivery systems.

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

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representative Macri).

**Brief History:** Passed House: 2/12/18, 98-0.

**Committee Activity:** Health & Long Term Care: 2/22/18 [DPA].

### Brief Summary of Amended 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.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** Do pass as amended.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Bailey, Becker, Conway, Fain, Keiser, Mullet and Van De Wege.

**Staff:** Greg Attanasio (786-7410)

**Background:** Only individuals licensed by the Dental Quality Assurance Commission (DQAC) may practice dentistry in the state. Corporations are prohibited from practicing dentistry or soliciting dental patronage for dentists employed by a corporation. However, a person or entity not licensed by DQAC 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;

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- 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.

**Summary of Amended Bill:** The prohibition on the corporate practice of dentistry and solicitation of dental patronage for dentists employed by a corporation does not apply to an arrangement for care delivery between a licensed health service contractor organized as a nonprofit integrated care delivery system and a health care provider, provided that the arrangement between the parties meets:

- the federal personal services and management safe harbor requirements; and
- either the federal managed care safe harbor requirements or the federal space rental and equipment rental safe harbor requirements.

**EFFECT OF HEALTH & LONG TERM CARE COMMITTEE AMENDMENT(S):**

- Clarifies that a health care service contractor organized as a nonprofit integrated care delivery system may contract for the services of licensed dentists, and employ or contract for the services of other dental professionals, if certain requirements are met.
- Provides that health carriers are not prohibited from entering into provider contracts with dentists.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Substitute House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: A bill on the corporate practice of dentistry passed last year; however, it did not consider the impacts on Kaiser, which has a long standing integrated dental practice. During the interim stakeholders worked together to come to an agreement that will ensure that Kaiser's integrated dental practice can continue while also safeguarding patients.

**Persons Testifying:** PRO: Representative Nicole Macri, Prime Sponsor; Amber Ulvenes, Kaiser Permanente Northwest.

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