

# SENATE BILL REPORT

## SB 5158

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As of January 19, 2017

**Title:** An act relating to dental practice and solicitation by corporations.

**Brief Description:** Concerning dental practice and solicitation by corporations.

**Sponsors:** Senators Rivers, Cleveland and Keiser.

**Brief History:**

**Committee Activity:** Health Care: 1/19/17.

**Brief Summary of Bill**

- Authorizes corporations to own or lease assets used by dental practices, employ or contract for services with dental practices, provide business support for dental practices, and receive fees for services provided to dental practices.

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### 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 take 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.

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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.*

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:** Persons not licensed to practice dentistry may:

- own or lease assets used by a dental practice;
- employ or contract for the services of personnel other than dental professionals;
- provide business support and management services to a dental practice; and
- receive fees for any of these services as agreed to by the dental practice owner or owners.

**Appropriation:** None.

**Fiscal Note:** Available.

**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:** PRO: The motivation with this bill is to allow people to see dentists easier, including on weekends. It is not the government's job to outline the type of business structures that exist. Bad businesses go out of business and good businesses thrive. People's health and lives depend on finding a solution to the DSO issue. DSO's have been working in the state for over 30 years. The money-people within the DSO practices do not tell dentists what to do. Dentists who practice in DSO settings provide great care. Washington licensed dentists own and control the current practices, even under a DSO model. This bill is modeled off of Oregon legislation that passed in 2003, and DSO laws have been working very well in Oregon. Dentists, even under a DSO model, still require the Dentist to remain accountable. DSOs are licensed as general businesses in Oregon because they are not practicing dentistry. DSOs are strictly business support services. There is no regulatory oversight by a professional body in any state, they are just regulated as businesses. Pacific Dental has operated in Washington for 25 years and has rendered care to 25,000 patients in the state. Dentists want DSOs as a choice for practicing dentistry. Medical Service Organizations have been around for a long time as well. This concept is not new. The DSO Association does not support Half Dental, who was truly a bad actor. This proposal is even stronger than Oregon, because the dentist can still control what dental professionals they hire. This model has been in place in Oregon and there has been no increase in complaints.

CON: The Washington State Dental Association believes this bill falls short of the necessary patient protections needed to support the legislation. The Association does have language that they could support. DSOs have provided poor and dangerous care to certain patients, including improper procedures and poor billing practices. There are some concerns about patients being treated in DSO clinics. Patients that have left Dr. Enneking's dental practice for DSO's have eventually come back. Dentistry is being done under the DSO model, but under the guise that certain services are needed. Dentists at DSOs do not manage their own

patient care, and have quotas to meet. Opposition to this bill has nothing to do with competition. It is solely based on patient care and safety. DSOs prioritize profits and not patient care. Dentists operating in DSO models do not get enough support services. There are no cost savings for a patient who sees a dentist at a DSO, and dentists are even encouraged to up-charge patients. Quality dental care should come before profits. The Department of Health has no control over corporate compliance with dental laws in Washington. Senate Bill 5158 does not go far enough to protect patients.

**Persons Testifying:** PRO: Senator Ann Rivers, Prime Sponsor; Roman Daniels-Brown, Pacific Dental Services; Brian Polillo, DDS, Practicing Dentist; Melissa Johnson, Willamette Dental Group; Jennifer Bryant, Association of Dental Support Organizations; Lisa Thatcher, Association of Dental Support Organizations.

CON: Trent House, WSDA; Dr. Enneking; Tanna Wells; Negar Sherkat; Timothy Hess; Kalob Lesh.

**Persons Signed In To Testify But Not Testifying:** CON: Cynthia Pauley; Emily Studebaker; Carrie Tellefson; Bryan Edgar, Washington Academy of General Dentistry.