

## Legislative Memo – HB1514, to allow the use of dental office support services

Proposal would modernize current law and provide more certainty for dentists and Dental Support Organizations

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### Key Findings

1. *Dental support organizations (DSOs) provide non-practice related services to dentists.*
2. *HB 1514 defines the exact practice of dentistry. Currently, to be considered a dentist in Washington state, a person does not need to personally perform all the back-office duties, but can have business tasks carried out at the dentist's direction.*
3. *State law relating to the practice of dentistry was written in 1935. It is vague and creates uncertainty for dentists when contracting with DSOs. This bill would modernize the law and provide more certainty for dentists and DSOs.*
4. *Anything that provides more choice and better access to health and dental care for patients is positive. DSOs free up dentists to treat more patients and focus on care rather than the business aspects of practice.*
5. *In a free market, dentists should be allowed to decide who can assist them in the business aspects of their practices.*

### Background

Dentists are not only health care professionals; many of them also manage their practices as small businesses. These dentists must divide their time between treating patients and handling the business side of their practices.

Dental support organizations (DSOs) provide non-practice related services to dentists. These services include facility maintenance, skilled staffing, marketing and inventory management. DSOs allow dentists to be more efficient and to treat more patients, thereby improving access and increasing choices for dental care for everyone.

Currently, 147 dentists in Washington state use a DSO. These dentists treat some 300,000 patients a year and provide 1,700 jobs.

Washington state law relating to the practice of dentistry was written in 1935. It is vague and creates uncertainty for dentists when contracting with DSOs.

The U.S. Federal Trade Commission (FTC) has weighed in on the use of DSOs. The FTC was asked to comment on a proposed 2012 bill in North Carolina that would restrict the use of DSOs. The FTC wrote that the support organizations would potentially increase efficiency and allow entry by new dental practices, which may lead to lower dental prices, expanded

access to services and greater choice for consumers.<sup>1</sup>

### **HB 1514 – Concerning dental office support services**

HB 1514 defines the exact practice of dentistry and makes it clear that only a dentist can own a dental practice and make clinical decisions. It also changes the existing language in statute and defines the practice of dentistry to include simply owning a dental practice, not necessarily owning, maintaining and/or operating a dental office. It makes it clear that a dentist can contract with dental support organizations or other business support services for non-clinical work. In other words, to be considered a dentist in Washington state, a person does not need to personally perform all the back-office duties, but can have business tasks carried out at the dentist's direction. This arrangement allows DSOs to continue to provide their services in Washington while freeing the dentist to concentrate on helping patients.

The bill is sponsored by both Democrats and Republicans.

### **Policy Analysis**

Anything that provides more choice and better access to health and dental care for patients is positive. DSOs free up dentists to treat more patients and focus on care rather than the business aspects of practice.

The language of HB 1514 is very clear about who qualifies as a dentist and therefore prohibits DSOs from actually practicing dentistry. The state's requirements for practicing dentistry in Washington state remain in place.

In a free market, dentists should be allowed to decide who can assist them in the business aspects of their practices. Dentists entered this field of medicine because they care about people's oral health, and they have spent years learning the necessary skills. They are not, generally, graduates of business schools. It makes sense, therefore, that many dentists would seek help with the business side of their practice. Using the services of a DSO is entirely voluntary, no dentist is required to hire one, and it is good public policy to recognize DSO services as one option for running a dental practice in Washington state.

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<sup>1</sup> Letter to Rep. Stephen La Roque, North Carolina House of Representatives from the U.S. Federal Trade Commission, May 25, 2012.