

PROTECTING A DENTIST'S RIGHT TO CONTRACT FOR SERVICES



BACKGROUND

- Dentists may contract for non-clinical business and administrative services but it is critical that those contracts not affect the independent professional judgment of the dentist.
- Legislators objected last year when the Board of Dental Examiners proposed new rules governing those contracts, saying the agency was exceeding its statutory authority.
- Now, a proposal has been made to put into the statute a clear dividing line between clinical services only a dentist can provide, and administrative services that a dentist may contract with a non-dentist to provide.

This bill protects the right of dentists to contract with dental support organizations (DSOs) for non-clinical administrative support services, as they have done for decades.

THE PROPOSED LEGISLATION

- The bill puts current administrative rules into the state statutes.
- The bill clearly identifies 16 broad clinical functions that a contractor cannot perform or improperly influence, such as the quality and quantity of dental procedures, control of professional personnel, setting quotas or limiting treatment, selecting specific procedures, etc.
- It also defines 10 business functions a non-dentist can perform for a dentist, such as negotiating leases, billing and collecting, scheduling, advertising, ordering supplies and equipment, accounting and bookkeeping, etc.
- The proposed bill follows current administrative rules BUT adds reforms, such as:
 - Making sure the dentist has access to the funds needed for supplies, instruments and equipment.
 - Prohibiting a contractor from interfering with a patient's right to a refund.
- The Dental Board would retain the authority to take action if the non-dentist improperly influences the dentist's independent professional judgment.

If enacted into law, the Legislature will have clearly defined the clinical and non-clinical functions needed to maintain a dental practice, preserved the dentist's independence and protected the dentist's right to contract for services.

644

Dentists who contract for DSO-supported services from TCDSO members

1.1 million

Active patients in practices supported by TCDSO members

\$166 million

Annual payroll generated by TCDSO members

TEXAS DENTAL CRISIS, BENEFITS OF DSOS AND ECONOMIC IMPACT



TEXAS DENTAL CRISIS

- Texas is in a dental care access crisis, **ranking 50th** per capita among states in the **number of dentists needed**.*
- 4.9 million Texans – or **1 in 9** – live in a Dental Care Health Professional Shortage Area (HPSA)
- DSOs help address this problem by expanding access to high quality, affordable dental care to Texans – including much needed care to under-served minorities and low income children and families.
 - Dental practices supported by TCDSO members had more than **2.3 million** patient visits last year.
 - DSO-supported dental practices are able to charge low fees and accept more insurance plans than non-DSO supported dental offices due to economies of scale.

ECONOMIC IMPACT IN TEXAS

4,800 Jobs generated by DSOs statewide**

644

Number of **dentists** who contract for DSO-supported services

515

Number of **hygienists** who practice in DSO-supported offices

1,519

Number of **dental assistants** who practice in DSO-supported offices

2,127

Number of **staff** (non-clinical) who work in DSO-supported offices

**According to Kaiser Family Foundation's State Health Facts.*

***Data from TCDSO members as of 6/30/2014*

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