

By: Schwertner

S.B. No. 519

A BILL TO BE ENTITLED

AN ACT

relating to the registration of dental support organizations;  
imposing a fee; requiring an occupational registration; providing a  
civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 5, Business & Commerce Code, is  
amended by adding Chapter 73 to read as follows:

CHAPTER 73. REGISTRATION OF DENTAL SUPPORT ORGANIZATIONS

Sec. 73.001. DEFINITIONS. In this chapter:

(1) "Business support services" means business,  
management, consulting, or administrative services, facilities, or  
staff provided for a dentist, including:

(A) office space, furnishings, and equipment;

(B) staff employed by the dental support  
organization;

(C) regulatory compliance;

(D) inventory or supplies, including dental  
equipment and supplies;

(E) information systems;

(F) marketing and advertising;

(G) financial services;

(H) accounting, bookkeeping, or monitoring or  
payment of accounts receivable;

(I) payroll or benefits administration;

1                   (J) billing and collection for services and  
2 products;

3                   (K) reporting and payment of federal or state  
4 taxes;

5                   (L) administration of interest expense or  
6 indebtedness incurred to finance the operation of a business; or

7                   (M) insurance services.

8                   (2) "Dental support organization" means an entity  
9 that, under an agreement, provides two or more business support  
10 services to a dentist.

11                   (3) "Dentist" means an individual licensed to practice  
12 dentistry in this state.

13                   Sec. 73.002. REGISTRATION REQUIRED. (a) A dental support  
14 organization shall annually register with the secretary of state.

15                   (b) A dental support organization's registration under this  
16 section is considered registration of any subsidiary, contractor,  
17 or affiliate of the dental support organization through or with  
18 which the dental support organization provides business support  
19 services.

20                   Sec. 73.003. EXEMPTIONS. This chapter does not require  
21 registration by:

22                   (1) an accountant providing only accounting services;

23                   (2) an attorney providing only legal counsel;

24                   (3) an insurance company or insurance agent providing  
25 only insurance policies to a business; and

26                   (4) entities providing only investment and financial  
27 advisory services.

1       Sec. 73.004. CONTENTS OF REGISTRATION; FEE. (a) The  
2 registration required by Section 73.002 must include:

3           (1) the name and business address of the dental  
4 support organization;

5           (2) the name and business address of each dentist in  
6 this state with which the dental support organization has entered  
7 into an agreement to provide two or more business support services;

8           (3) the name of each dentist who owns 10 percent or  
9 more of the dental support organization;

10          (4) the name of each person who is not a dentist and  
11 owns 10 percent or more of the dental support organization; and

12          (5) a list of all business support services provided  
13 to each dentist.

14       (b) A registration and each corrected registration must be  
15 accompanied by a fee set by the secretary of state in an amount  
16 necessary to recover the costs of administering this chapter.

17       (c) A registration or corrected registration is not  
18 effective until the dental support organization pays the fee  
19 required by this section.

20       Sec. 73.005. TIMING OF REGISTRATION; CORRECTION REQUIRED.

21       (a) Except as provided by Subsection (b), the registration  
22 required by Section 73.002 must be filed with the secretary of state  
23 not later than January 31 of each year for which the registration is  
24 effective.

25       (b) A dental support organization that initially meets the  
26 requirement for registration under Section 73.002 after January 31  
27 shall file the registration required by that section not later than

1 the 90th day after the date an agreement to provide business support  
2 services is executed.

3 (c) A dental support organization shall file a corrected  
4 registration each quarter as necessary.

5 Sec. 73.006. FAILURE TO FILE REGISTRATION OR CORRECTION.

6 (a) A person who fails to file a registration or a corrected  
7 registration as required by this chapter is liable to the state for  
8 a civil penalty in an amount not to exceed \$1,000.

9 (b) Each day a violation continues or occurs is a separate  
10 violation for the purpose of imposing the civil penalty.

11 (c) The attorney general shall file suit to collect the  
12 civil penalty provided by this section. The suit may be filed in  
13 Travis County or any county where the dental support organization  
14 provides business support services.

15 Sec. 73.007. INTERAGENCY MEMORANDUM. The secretary of  
16 state and the State Board of Dental Examiners shall enter into an  
17 interagency memorandum to share the information collected by the  
18 secretary of state under this chapter with the board.

19 Sec. 73.008. APPLICABILITY. This chapter does not limit  
20 nonclinical business support services that may be provided to a  
21 dentist by a dental support organization.

22 SECTION 2. Sections 254.019(a), (b), and (c), Occupations  
23 Code, are amended to read as follows:

24 (a) In this section:

25 (1) "Business support services" has the meaning  
26 assigned by Section 73.001, Business & Commerce Code [~~"Dental~~  
27 ~~service agreement" means an agreement between a dental service~~

~~organization and a dentist under which the dental service organization will:~~

~~[(A) provide services related to the nonclinical business aspects of a dental practice, including arranging or providing financing, performing billing or payroll tasks, processing patient insurance claims, scheduling or otherwise interacting with patients, and performing other administrative tasks;~~

~~[(B) supervise or manage the employees or contractors of the dentist; or~~

~~[(C) employ or otherwise contract with a dentist in the dentist's capacity as a dentist].~~

(2) "Dental support ~~[service]~~ organization" has the meaning assigned by Section 73.001, Business & Commerce Code ~~[means an entity that:~~

~~[(A) is owned wholly or partly by a person who is or is not a dentist; and~~

~~[(B) under a dental service agreement, provides or offers to provide services to a dentist or employs or otherwise contracts with a dentist in the dentist's capacity as a dentist].~~

(b) The board shall collect the following information from dentists licensed by the board in conjunction with the issuance and renewal of each dental license:

(1) the number and type of dentists employed by the license holder, if any;

(2) the name under which the license holder provides dental services and each location at which those services are

1 provided by that license holder;

2 (3) whether the license holder is a participating  
3 provider under the Medicaid program operated under Chapter 32,  
4 Human Resources Code, or the child health plan program operated  
5 under Chapter 62, Health and Safety Code;

6 (4) whether the license holder ~~[is employed by or]~~  
7 contracts or enters into an agreement for business support services  
8 with a dental support ~~[service]~~ organization and, if so, the name  
9 and address of the dental support ~~[service]~~ organization;

10 (5) whether the license holder owns all or part of a  
11 dental support ~~[service]~~ organization and, if so, the name and  
12 address of the dental support ~~[service]~~ organization and of each  
13 dental office at which the dental support ~~[service]~~ organization  
14 provides services to patients;

15 (6) whether the license holder is a party to a dental  
16 support ~~[service]~~ agreement and, if so, the name and address of the  
17 dental support ~~[service]~~ organization that provides services under  
18 the agreement; and

19 (7) if the license holder owns all or part of a dental  
20 support ~~[service]~~ organization, whether the license holder's  
21 ~~[that]~~ practice is a party to a dental support ~~[service]~~ agreement  
22 and, if so, the name and address of the dental support ~~[service]~~  
23 organization that provides services under the agreement.

24 (c) If requested by the board, a dental support ~~[service]~~  
25 organization shall provide to the board the address of the  
26 locations where the organization provides business support  
27 ~~[dental]~~ services in this state and the name of each dentist

1 providing dental services at each location.

2       SECTION 3. Notwithstanding Section 73.002, Business &  
3 Commerce Code, as added by this Act, a dental support organization  
4 is not required to register under that section before February 1,  
5 2016.

6       SECTION 4. This Act takes effect September 1, 2015.