

House Bill 3201

Dental Service Organizations Legislative Report



Texas State Board of Dental Examiners

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TEXAS STATE BOARD OF DENTAL EXAMINERS

Dental Service Organizations

**Report to the Texas Legislature Pursuant to HB3201 (83rd Leg. Sess. (R))
Period: 09/01/14 – 08/31/16**

Preface

The Texas State Board of Dental Examiners (TSBDE) is governed by the Texas Occupations Code, Title 3, Subtitle D, Chapters 251 et seq., (Dental Practice Act). Currently the Board regulates the licensure, registration and certification of dentists, dental hygienist, dental assistants, dental laboratories and mobile facilities. The total licensee population is approximately 65,000.

In the 83rd Legislative Session, the Legislature tasked the TSBDE with collecting information concerning Dental Service Organizations (DSOs). This directive was to gather information and did not require the agency to license or register the entities. Beginning in October 2013, TSBDE published a dental practice survey to collect certain information from its licensees for biannual reporting to the Texas Legislature. Our first report was submitted to the Texas Legislature on November 1, 2014, for the period of November 1, 2013 through October 1, 2014. The first submission did not represent a full fiscal year, however, we have been continuously collecting information and this report is reflective of two full fiscal years, September 1, 2014 through August 31, 2016.

84th Legislative Session

In the 84th Legislative Session, the Legislature tasked the Secretary of State with registering DSOs that operate in Texas. These functions overlap to a certain degree; however, the recent legislation of SB 519, required the TSBDE and the Texas Secretary of State (SOS) enter a Memorandum of Understanding in order to enable best use of the information collected and preclude overlapping functions.

On August 8, 2016, the TSBDE and SOS entered a Memorandum of Understanding pursuant to the authority granted in Texas Business & Commerce Code, Chapter 73, explicitly section 73.007. The Memorandum of Understanding affirms that the SOS will maintain a database containing information obtained from DSOs and will export a spreadsheet of information from the database to TSBDE on a quarterly basis. The first

transmission occurred on August 12, 2016. The agency is currently exploring ways to effectively utilize the shared information.

Summary Analysis of Raw Data

In fiscal year 2015 (9/1/14-8/31/15), approximately 61 percent of dentists answered "Yes" when asked if they owned all or part of at least one dental practice. Less than one percent of dentists taking the survey owned all or part of a DSO that provides services in Texas. The survey responses also revealed that about 32 percent of the dentists were a provider under the Medicaid Program and 29 percent of dentists were a participating provider in the Children's Health Insurance Program.

In comparison, in fiscal year 2016 (9/1/16-8/31/16), 49 percent of dentists answered "Yes" when asked if they owned all or part of at least one dental practice. Less than one percent of dentists owned all or part of a DSO that provides services in Texas. The survey responses also revealed that only 33 percent of the dentists were a provider under the Medicaid Program and 30 percent of the dentists were a participating provider in the Children's Health Insurance Program.