

BILL ANALYSIS

S.B. 519
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Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Dental support organizations provide a wide variety of business support services to dentists, such as the provision of office space, furnishings, and equipment; regulatory compliance; inventory and supplies; information systems; marketing and advertising; financial services; accounting, bookkeeping, and monitoring or payment of accounts receivable; payroll and benefits administration; billing and collection for services; reporting and payment of federal or state taxes; and insurance services. Interested parties contend that the law regarding the manner in which information about such organizations is collected by the state needs to be amended in order to better assess these organizations' impact on the practice of dentistry in Texas. S.B. 519 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 519 amends the Business & Commerce Code to require a dental support organization, defined by the bill as an entity that, under an agreement, provides two or more business, management, consulting, or administrative services, facilities, or staff to a dentist, to annually register with the secretary of state. The bill establishes that a dental support organization's registration is considered registration of any subsidiary, contractor, or affiliate of the dental support organization through or with which the dental support organization provides business support services. The bill exempts from the registration requirement an accountant providing only accounting services, an attorney providing only legal counsel, an insurance company or insurance agent providing only insurance policies to a business, and entities providing only investment and financial advisory services. The bill sets out the required contents of the registration and provides for a registration fee set by the secretary of state and for registration deadlines. The bill does not require a dental support organization to register before February 1, 2016.

S.B. 519 makes a person who fails to file a registration or a corrected registration as required by the bill liable to the state for a civil penalty in an amount not to exceed \$1,000 and establishes that each day a violation continues or occurs is a separate violation for the purpose of imposing the civil penalty. The bill requires the attorney general to file suit to collect the civil penalty and authorizes the suit to be filed in Travis County or any county where the dental support organization provides business support services. The bill requires the secretary of state and the

State Board of Dental Examiners to enter into an interagency memorandum to share the registration information collected by the secretary of state with the board. The bill expressly does not limit nonclinical business support services that may be provided to a dentist by a dental support organization.

S.B. 519 amends the Occupations Code to replace the requirement that the board collect from dentists licensed by the board in conjunction with the issuance and renewal of each dental license certain information regarding a contract or an agreement with or the license holder's ownership of a dental service organization with the requirement that the board collect from those dentists in that manner certain information regarding an agreement with or the license holder's ownership of a dental support organization. The bill removes from that required information a statement of whether a license holder is employed by a dental service organization and replaces the requirement that a dental service organization provide the board on the board's request the address of and dentists' names providing services at each of the organization's services locations in Texas with the requirement that a dental support organization provide that information with respect to that organization to the board on the board's request.

EFFECTIVE DATE

September 1, 2015.