

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 939

(Delegate Cullison, *et al.*)

Health and Government Operations

Education, Health, and Environmental Affairs

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State Board of Dental Examiners - Practice of Dentistry - Revisions

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This bill requires a dental practice to be owned only by a licensed dentist or “dental professional corporation.” The bill defines a “dental professional corporation” as (1) a corporation solely owned by an individual or individuals licensed to practice dentistry and formed under the Corporations and Associations Article, as specified or (2) a professional service limited liability company owned solely by an individual or individuals licensed to practice dentistry and formed under the Corporations and Associations Article, as specified. Specified persons and entities are exempt from this requirement. Accordingly, the bill alters the definition of “practice dentistry.”

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Fiscal Summary

**State Effect:** The bill does not directly affect governmental operations or finances.

**Local Effect:** The bill does not directly affect local operations or finances.

**Small Business Effect:** Potential meaningful.

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Analysis

**Bill Summary:** The bill alters the definition of “practice dentistry” to repeal the requirement to be a manager, a proprietor, or a conductor of or an operator in any place in which a dental service or dental operation is performed intraorally. “Practice dentistry” is expanded to include (1) patient evaluation, diagnosis, and determination of treatment plans; (2) determination of treatment options, including the choice of restorative and treatment materials and diagnostic equipment; and (3) determination and establishment of patient protocols, standards of care, and practice guidelines.

Only an individual licensed to practice dentistry may (1) direct the clinical training of a dentist, dental hygienist, or dental assistant; (2) direct a dentist, dental hygienist, or dental assistant in providing dental care and treatment; (3) hire, supervise, or terminate the employment of a dentist, dental hygienist, or dental assistant; (4) direct the preparation and maintenance or exert control of a patient's or treating dentists' right of access to patient treatment records; or (5) share in the income, revenues, profits, or fees with licensed dentists within the same dental practice. Otherwise, a licensed dentist may not share in revenues or split fees.

It is unlawful for any person who is not a licensed dentist to direct, control, or interfere with the independent professional judgement of a dentist or dental hygienist regarding the diagnosis, care, or treatment of a patient's dental disease, disorder, or physical condition.

A dentist or dental professional corporation may not be prohibited from entering an agreement that provides that an unlicensed person may perform specified administrative activities, including owning, leasing, or otherwise providing real property or equipment used by a dentist or dental practice; bookkeeping, accounting, and tax preparation; payroll; billing and collections services; administrative management of patient treatment records; advertising and marketing; providing services to assist in recruitment; hiring, supervising, and terminating nonprofessional office staff subject to the approval of a licensed dentist; human resource-related services; information technology procurement; general property management and maintenance; risk management; productivity, efficiency, and cost management consulting services; receiving compensation that must be a predetermined fixed fee or compensation that may be based on prior revenues or profits over a preceding 12-month period or longer; and contracting with a third party to provide any of the above specified services.

Any contractual provision that could be interpreted to limit, restrict, or prevent a dentist, dental hygienist, dental assistant, or other person from testifying or providing information to the board, the General Assembly, or a court concerning a potential violation of the Health Occupations Title must be void and unenforceable.

The bill's requirements relating to the ownership or management of a dental practice do not apply to specified entities, including specified clinics, a government agency, or specified nonprofit organizations. However, dentists, dental hygienists, dental assistants, and dental technicians employed by these exempt entities must be subject to licensure requirements and the authority of the State Board of Dental Examiners.

The bill adds the acceptance or tender of rebates or split fees as additional grounds for discipline for licensed dentists.

**Current Law:** Under the Health Occupations Article, an individual must obtain a license from the State Board of Dental Examiners in order to practice dentistry. “Practice dentistry” encompasses being a manager, proprietor, or conductor of or an operator in any place in which a dental service or operation is performed intraorally.

A dentist is subject to license denial as well as reprimand, probation, suspension, and revocation on various grounds, including fraudulently obtaining or using a license or fraudulently obtaining a fee; committing a felony involving moral turpitude; providing dental services while under the influence of drugs or alcohol; practicing dentistry in a professionally incompetent manner or grossly incompetent manner; having a suspended or revoked license in another state; allowing an unauthorized individual to practice dentistry or dental hygiene under their supervision; behaving dishonorably or unprofessionally; violating rules adopted by the board; and failing to comply with the U.S. Centers for Disease Control and Prevention’s guidelines on universal precautions (except in extreme situations, as specified), among other enumerated actions. A dental hygienist is subject to discipline on similar grounds.

The board has the authority to impose a penalty of up to \$5,000, in addition to taking certain disciplinary actions or instead of suspending a license to practice dentistry. Any such penalty is paid to the general fund.

A person who practices or attempts to practice dentistry without a license or misrepresents to the public regarding the person’s authorization to practice dentistry is guilty of a misdemeanor and on conviction is subject to a maximum penalty of either a \$2,000 fine or six months imprisonment for a first offense. The maximum penalty for a subsequent offense increases to either a \$6,000 fine or one year imprisonment.

A person who unlawfully practices or attempts to practice dental hygiene, aids or abets the unauthorized practice of dental hygiene, or misrepresents to the public regarding the person’s authorization to practice dental hygiene is guilty of a misdemeanor and on conviction is subject to a maximum fine of \$1,000.

A person who violates specified provisions relating to dental laboratory work or advertising a dental appliance is guilty of a misdemeanor and on conviction is subject to a maximum penalty of either a \$2,000 fine or six months imprisonment.

**Background:** The State Board of Dental Examiners is mandated to protect the public by regulating the practice of dentistry and dental hygiene in Maryland. Among the enumerated duties, the board issues licenses, adopts standards of practice for dentistry, investigates complaints based on alleged violations of regulations and statutes, and disciplines licensees.

In 2014, the board proposed regulations that would have established that only a dentist may own, manage, conduct, operate, or be the proprietor of a dental practice. Additionally, the regulations would have specified that a person is not prohibited from providing goods or services for the support of the business of a dental practice as long as the person does not (1) provide goods or services in exchange for a percentage or share of revenue or profits of the dental practice or (2) exert authority or control over the clinical practice of dentistry. The regulations would have also specified that the following would not be considered to be exerting control over a dental practice: (1) a lease, mortgage agreement, or other arrangement regarding the use of space for dental offices, based on a nonpercentage fee reasonably related to the fair market value of the office space; or (2) agreements relating to the purchase, sale, financing, or lease of dental equipment, instruments, and supplies as long as the dentist maintained complete control over the instruments and supplies and the agreement did not include a revenue percentage fee. The regulations were not adopted.

Senate Bill 421/House Bill 766 of 2015 would have exempted certain clinics, government agencies, and nonprofit organizations from the authority of the board. Additionally, Senate Bill 887 of 2015 would have (1) removed managers, proprietors, and conductors of or operators in any place in which a dental service or operation is performed intraorally from the definition of “practice dentistry” and (2) exempted specified individuals from State licensure requirements, including those who provide administrative and related services to dental practices. Senate Bill 421 and House Bill 766 were withdrawn. Senate Bill 887 was referred to interim study by the Senate Education, Health, and Environmental Affairs Committee. In response, the Maryland Department of Health convened a stakeholder workgroup to study and make recommendations about ownership of dental practices in Maryland. The workgroup comprised dental providers, nonprofits, dental service organizations, and board representatives and considered which entities should be exempt from ownership requirements, what activities should be performed by a dentist, and what activities could be performed by an unlicensed party.

**Small Business Effect:** The bill requires dental practices to be owned, managed, and operated by licensed dentists. However, persons who are not licensed dentists are authorized to provide specified services for dental practices. Further, the bill adds an additional grounds for discipline.

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### **Additional Information**

**Prior Introductions:** SB 371 of 2019, a similar bill, passed the Senate and was referred to the House Health and Government Operations Committee but was withdrawn. Its cross file, HB 470, received a hearing in the House Health and Government Operations Committee but was withdrawn. Similar bills, HB 358 of 2018, HB 1292 of 2017, and

HB 1468 of 2016, received hearings in the House Health and Government Operations Committee, but no further action was taken on any bill.

**Designated Cross File:** SB 174 (Senator West) - Education, Health, and Environmental Affairs.

**Information Source(s):** Judiciary (Administrative Office of the Courts); Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2020  
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