

HB

472

HOUSE COMMITTEE REPORT

(9) Date Referred: February 14, 1994 FURTHER REFERRALS: Judiciary

Date of Committee Action: 3/1/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 472

HOUSE BILL NO. 472 REFERRALS INVOLVING DENTAL SERVICES

"An Act relating to referrals involving dental services."

RECOMMENDATIONS: | | the same title
 be replaced with _____ | | a new title

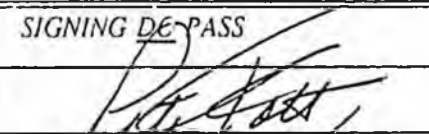

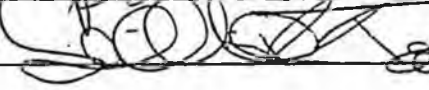
- have attached amendments(s)
- do pass
- do not pass
- no recommendations
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____ fiscal note(s) _____

zero fiscal note CED zero fiscal note(s) _____

SIGNING DE PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
	✓	None noted		X	
	✓	Car Bunde		✓	
	✓	Harley Alberg		✓	


 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 472

Revision Date: 2/25/94
 Title: An Act relating to referrals involving dental services.
 Sponsor: Rep. G. Davis
 Requestor: Rep. G. Davis

Department: Commerce and Economic Dev.
 BRU: Occupational Licensing
 Component: Operations

COMPONENT SERIAL NO. 1844

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 94) cost: \$ None

POSITIONS		FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME		0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME		0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY		0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)
 HB 472 amends authority of the Board of Dental Examiners to discipline a licensee for receiving compensation for referring a person to another dentist or dental practice. If investigations arise as a result of this bill, it may be necessary to seek increased appropriation to recuperate those costs through other sources, such as the Legislative Budget and Audit Committee. However, until then, new funds are not required to implement HB 472.

Prepared by: Jennifer Strickler, Administrative Officer *JS* Phone: 465-2144
 Division: Occupational Licensing Date: 2/25/94
 Approved by Commissioner: Paul Fuhs *Paul Fuhs* Date: 2-28-94
 Agency: Commerce and Economic Development

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Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 3/1/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 507: LICENSING OF OPTOMETRISTS & PHYSICIANS
 * HB 492: REFERRALS INVOLVING DENTAL SERVICES
 * HB 324: EXTEND BOARD OF DENTAL EXAMINERS
 * INDICATES FIRST PUBLIC HEARING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Jon Lehmann MD	A.S.M.A.	700 KATLIAN "E" - SITE A	99835		747-5861	<input checked="" type="checkbox"/>	<input type="checkbox"/>	# 507
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LYN1100-R01
03/05/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
19:19:38

TCN: 40407 DATE & TIME: 03/01/94 15:00 TO 17:00 STATUS:7 STATS. IN

**** ORDER SUMMARY ****

SPONSOR: HHES HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOMEY
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE BUNDE
CONTACT: LYNNE SMITH TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED 8 MINUTE LIMIT
TCN REQUESTED ON 03/01/94 AND HAS 3 UPDATES

**** AGENDA ****

- 1 HB 507 LICENSING OF OPTOMETRISTS AND PHYSICIANS
- 2 HB 472 REFERRALS INVOLVING DENTAL SERVICES
- 3 HB 361 APPROP: EDUCATION FUNDING FOR FY 95

**** PARTICIPATING LIOS ****

* JNU JUNEAU CAPITOL CAP106 LOCATION STAFF

**** VOLUNTEER & OFFNET SITES ****

PSC MRG WRANGELL LTC	LONGSHOREMEN'S	MABEL FENNIMORE	(907)874-3013
ZZZ OF1 OFFNET 1	ANCHORAGE	DR. MCGUIRE	(907)562-4142
ZZZ OF2 OFFNET 2	SOLDOTNA	DAN PITTS	(907)262-4989
ZZZ OF3 OFFNET 3	TANANA	RON DELAY	(907)366-7208

Alaska State Legislature

Interim,
P.O. Box 1287
Soldotna, AK 99669
(907) 262-8414




Session:
State Capitol
Juneau, AK 99801
(907) 465-2693

Representative Gary L. Davis

MEMORANDUM

TO: Representative Con Bunde, Co-Chair
HESS Committee
Representative Cynthia Toohey, Co-Chair
HESS Committee

FROM: Representative Gary L. Davis, Vice-Chair
HESS Committee 

DATE: February 17, 1994

RE: House Bill 472, "An Act relating to referrals involving dental services."

I respectfully request that House Bill 472 be scheduled for a hearing by the HESS Committee at your earliest convenience.

House Bill 472 will prohibit the receipt of compensation by a dentist for referring a person to another dentist or dental practice. In addition, the receipt of compensation by a person or advertisement referring a dental service is prohibited unless the compensation for referral is disclosed at the time of referral. This legislation will help ensure that patients are being referred to a dentist or dental practice as a result of the quality service.

SPONSOR REQUEST FOR HEARING

Representing House District 8 - Soldotna to Seward

Alaska State Legislature

Interim:
P.O. Box 1287
Soldotna, AK 99669
(907) 262-8414



Session:
State Capitol
Juneau, AK 99801
(907) 465-2693

Representative Gary L. Davis

SECTIONAL ANALYSIS

HOUSE BILL 472

"An Act relating to referrals involving dental services."

Section 1 - Amends AS 08.36.315 by adding a new subsection relating to the grounds for discipline, suspension, or revocation of a license for the receipt of compensation for referring a person to another dentist or dental practice.

Section 2 - Amends AS 45.50.471 (b) by adding two new paragraphs relating to the receipt of compensation by a dentist or advertiser for referring a person to a dentist or dental practice.

SECTIONAL ANALYSIS

Representing House District 8 - Soldotna to Seward

- BACKGROUND HB 472

February 25, 1994

Dr. Pitts -

These are the incidents that I know of that pertain to the dental referral service. Is this what you want?

In Fairbanks, a dentist called the dental referral service and was told that the service only referred to dentists:

who were in good standing with the dental society, and
who did high quality work

The dentist replied that this company must refer to most of the dentists in the Fairbanks area if that was the criteria which was used. The referral service then admitted that they refer to the dentists who pay them to refer.

In Anchorage a dentist expressed concern that one of his patients had called the dental referral service listed in the yellow pages for a referral to an orthodontist and made an appointment with the dentist to whom he was referred. During the initial evaluation the dentist related that because the nature of the case he would have to consult with an orthodontist.

The patient then questioned the dentist as to his qualifications because he was led to believe that he had come to an orthodontist, when in fact he had been referred to a general dentist.

Following this call to our office concerning the dental referral service, several people called the number listed in the telephone book, giving various names and home addresses in various parts of town, and requesting various specialists. No matter what zip code was given, no matter what specialist was requested, the referral service only referred to 2 practices in Anchorage. Neither office was a specialty practice. One was a member of the dental society, another was not. There are 150 dentists in the Anchorage area who are members of the dental society.

The dental referral service has never asked the dental society which dentists are in good standing.

Betty

BETTY PRENTICE
DIRECTOR OF OPERATIONS
ALASKA DENTAL SOCIETY

BACKGROUND



Alaska Dental Society

3400 Spenard Road, Suite 10
Anchorage, Alaska 99503
(907) 277-4675 • FAX: 274-2960

Wednesday, February 23, 1994

Representative Gary Davis
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Davis:

The Alaska Dental Society is pleased to provide you with the attached information sheet relative to the following House and Senate Bills currently under review:

Senate Bill 201 - *COORDINATING INSURANCE BENEFITS*

House Bill 324 - *KEEPING THE BOARD OF DENTAL EXAMINERS*

House Bill 476 - *ANY WILLING PROVIDER (Freedom of Choice for Dental Patients)*

House Bill 472 - *DENTAL REFERRAL SERVICES (Disclosure of fees paid)*

The information sheet provides you with a comparison of the various types of dental reimbursement plans currently being offered to employees as well as a glossary of dental benefits terminology. We have devised this chart as a means of educating people about the differences between the various programs.

The Alaska Dental Society supports all of the above legislation because it helps protect the interests and freedoms of our patients. If you have any questions with regards to the information contained herein, please contact the Alaska Dental Society at (907) 277-4875.

Sincerely,

The Alaska Dental Society

American Dental Association

BACKGROUND FOR HB 472

E

ADA
PRINCIPLES OF
ETHICS
AND CODE OF

C
PROFESSIONAL
CONDUCT

American Dental Association
Council on Ethics, Bylaws and Judicial Affairs
211 East Chicago Avenue
Chicago, Illinois 60611
With official advisory opinions
revised to January, 1993.

With official advisory opinions
revised to January, 1993.

ADA.

BACKGROUND
HB 472

Principle - Section 5

PROFESSIONAL ANNOUNCEMENT.

In order to properly serve the public, dentists should represent themselves in a manner that contributes to the esteem of the profession. Dentists should not misrepresent their training and competence in any way that would be false or misleading in any material respect.*

Code of Professional Conduct

5-A. ADVERTISING.

Although any dentist may advertise, no dentist shall advertise or solicit patients in any form of communication in a manner that is false or misleading in any material respect.*

Advisory Opinions

1. If a dental health article, message, or newsletter is published under a dentist's byline to the public without making truthful disclosure of the source and authorship or is designed to give rise to questionable expectations for the purpose of inducing the public to utilize the services of the sponsoring dentist, the dentist is engaged in making a false or misleading representation to the public in a material respect.

2. The Council on Ethics, Bylaws and Judicial Affairs believes it would be of service to the members to provide some insight into the meaning of the term "false or misleading in a material respect." Therefore, the following examples are set forth. These examples are not meant to be all-inclusive. Rather by restating the concept in alternative language and giving general examples, it is hoped that the membership will gain a better understanding of the term. With this in mind, statements shall be avoided which would: a) contain a material misrepresentation of fact, b) omit a fact necessary to make the statement considered as a whole not materially misleading, c) contain a representation or implication regarding the quality of dental services which would suggest unique or general superiority to other practitioners which are not susceptible to reasonable verification by the public, and d) be intended or be likely to create an unjustified expectation about results the dentist can achieve.

3. The use of an unearned or nonhealth degree in any general announcements to the public by a dentist may be a representation to the public which is false or misleading in a material respect. A dentist may use the

of unearned or nonhealth degrees could be misleading because of the likelihood that it will indicate to the public the attainment of a specialty or diplomate status. It may also suggest that the dentist using such is claiming superior dental skills.

For purposes of this advisory opinion, an unearned academic degree is one which is awarded by an educational institution not accredited by a generally recognized accrediting body or is an honorary degree. Generally, the use of honorary degrees or nonhealth degrees should be limited to scientific papers and curriculum vitae. In all instances state law should be consulted. In any review by the council of the use of nonhealth degrees or honorary degrees, the council will apply the standard of whether the use of such is false or misleading in a material respect.

4. A dentist using the attainment of a fellowship in a direct advertisement to the general public may be making a representation to the public which is false or misleading in a material respect. Such use of a fellowship status may be misleading because of the likelihood that it will indicate to the dental consumer the attainment of a specialty status. It may also suggest that the dentist using such is claiming superior dental skills. However, when such use does not conflict with state law, the attainment of fellowship status may be indicated in scientific papers, curriculum vitae, third party payment forms, and letterhead and stationery which is not used for the direct solicitation of patients. In any review by the council of the use of the attainment of fellowship status, the council will apply the standard of whether the use of such is false or misleading in a material respect.

5. There are two basic types of referral services for dental care: not-for-profit and the commercial.

The not-for-profit is commonly organized by dental societies or community services. It is open to all qualified practitioners in the area served. A fee is sometimes charged the practitioner to be listed with the service. A fee for such referral services is for the purpose of covering the expenses of the service and has no relation to the number of patients referred.

In contrast, experience has shown that commercial referral services generally limit access to the referral service to one dentist in a particular geographic area. Prospective patients calling the service are referred to the single subscribing dentist in the geographic area

the referral fee paid by the dentist. There is a connotation to such advertisements that the referral that is being made is in the nature of a public service.

A dentist is allowed to pay for any advertising permitted by the Code, but is generally not permitted to make payments to another person or entity for the referral of a patient for professional services. While the particular facts and circumstances relating to an individual commercial referral service will vary, the council believes that the aspects outlined above for commercial referral services violate the Code in that it constitutes advertising which is false or misleading in a material respect and violate the prohibitions in the Code against fee splitting.

6. An advertisement which omits a material fact or facts necessary to put the information conveyed in the advertisement in a proper context can be misleading in a material respect. An advertisement to the public of HIV negative test results, without conveying additional information that will clarify the scientific significance of this fact, is an example of a misleading omission. A dental practice should not seek to attract patients on the basis of partial truths which create a false impression.

5-B. NAME OF PRACTICE.

Since the name under which a dentist conducts his or her practice may be a factor in the selection process of the patient, the use of a trade name or an assumed name that is false or misleading in any material respect is unethical.

Use of the name of a dentist no longer actively associated with the practice may be continued for a period not to exceed one year.*

Opinion

1. Dentists leaving a practice who authorize continued use of their names should receive competent advice on the legal implications of this action. With permission of a departing dentist, his or her name may be used for more than one year, if, after the one year grace period has expired, prominent notice is provided to the public through such mediums as a sign at the office and a short statement on stationery and business cards that the departing dentist has retired from the practice.

5-C. ANNOUNCEMENT OF