

REFERENCE TITLE: dental practices; ownership

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2608

Introduced by
Representatives Meza, Campbell CH, Lopez, Mason, Senator Aguirre:
Representatives Adams, Barto, Cajero Bedford, DeSimone, Groe, Murphy,
Reagan, Schapira, Sinema, Stump, Senator Aboud

AN ACT

AMENDING SECTION 32-1213, ARIZONA REVISED STATUTES; RELATING TO THE BOARD OF
DENTAL EXAMINERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 32-1213, Arizona Revised Statutes, is amended to
3 read:
4 32-1213. Dental practices; ownership and operation by
5 nonlicensed persons; business entities;
6 registration; renewal; civil penalty; exceptions
7 A. A PERSON WHO IS NOT LICENSED AS A DENTIST PURSUANT TO THIS CHAPTER
8 MAY OWN NOT MORE THAN FORTY-NINE PER CENT OF A DENTAL PRACTICE UNLESS:
9 1. THE PRACTICE IS A FEDERALLY QUALIFIED HEALTH CENTER, COMMUNITY
10 HEALTH CENTER, RURAL HEALTH CENTER, INDIAN HEALTH CENTER OR CHARITY CLINIC
11 THAT IS FUNDED ENTIRELY BY GRANTS AND DONATIONS.
12 2. THE ENTITY IS EXEMPT FROM THE REQUIREMENTS OF THIS SECTION PURSUANT
13 TO SUBSECTION J, PARAGRAPH 2 OF THIS SECTION.
14 3. THE NONLICENSED PERSON OWNED THE DENTAL PRACTICE BEFORE JULY 1,
15 2007.
16 B. SUBSECTION A OF THIS SECTION DOES NOT PREVENT AN ADMINISTRATOR OR
17 EXECUTOR OF THE ESTATE OF A DENTIST OR A PERSON WHO IS LEGALLY AUTHORIZED TO
18 ACT FOR A DENTIST ADJUDICATED TO BE MENTALLY INCOMPETENT FROM EMPLOYING A
19 LICENSED DENTIST TO:
20 1. CARRY ON THE DECEASED OR MENTALLY INCOMPETENT DENTIST'S PRACTICE
21 FOR A REASONABLE PERIOD, AS DETERMINED BY THE BOARD.
22 2. CONCLUDE THE AFFAIRS OF THE PRACTICE, INCLUDING THE SALE OF ANY
23 ASSETS.
24 3. WORK IN THAT OFFICE DURING THE ADMINISTRATION OF THE ESTATE OR
25 DURING THE PERIOD OF INCOMPETENCY.
26 ~~A-~~ C. A business entity may not offer dental services pursuant to
27 this chapter unless:
28 1. The entity is registered with the board pursuant to this section.
29 2. The services are conducted by a dentist licensed pursuant to this
30 chapter.
31 ~~B-~~ D. The business entity must file a registration application on a
32 form provided by the board. The application must include:
33 1. A description of the entity's services offered to the public.
34 2. The name of each licensee who is authorized and who is responsible
35 for the dental services offered at each office.
36 3. An application fee prescribed by the board in rule.
37 ~~C-~~ E. A business entity must file a separate registration application
38 for each branch office in this state.
39 ~~D-~~ F. A registration expires one year after the date the board issues
40 the registration. A business entity that wishes to renew a registration must
41 submit an application for renewal as prescribed by the board on an annual
42 basis and not sooner than sixty days and not less than thirty days before the
43 expiration date.
44 ~~E-~~ G. The business entity must notify the board in writing within
45 thirty days after any change:

- 1 1. In the entity's name, address or telephone number.
2 2. In the location of any office.
3 3. Of the licensee who is authorized and who is responsible for the
4 dental services offered at a particular office.
5 ~~F.~~ H. The board may do any of the following pursuant to its
6 disciplinary procedures if an entity violates the board's statutes or rules:
7 1. Refuse to issue a registration.
8 2. Suspend or revoke a registration.
9 3. Impose a civil penalty of not more than two thousand dollars for
10 each violation.
11 ~~G.~~ I. The board shall deposit, pursuant to sections 35-146 and
12 35-147, civil penalties collected pursuant to this section in the state
13 general fund.
14 ~~H.~~ J. This section does not apply to:
15 1. A person who is licensed pursuant to this chapter.
16 2. Any of the following entities licensed under title 20:
17 (a) A service corporation.
18 (b) An insurer authorized to transact disability insurance.
19 (c) A prepaid dental plan organization that does not provide directly
20 for prepaid dental services.
21 (d) A health care services organization that does not provide directly
22 for dental services.
23 3. A professional corporation or professional limited liability
24 company formed to engage in the practice of dentistry pursuant to title 10,
25 chapter 20 or title 29, chapter 4, article 11.
26 ~~I.~~ K. A facility that offers dental services to the public by persons
27 licensed under this chapter shall be licensed by the board unless the
28 facility is any of the following:
29 1. Owned by a licensee.
30 2. Regulated by the federal government or a state, district or
31 territory of the United States.
32 ~~J.~~ L. ~~Nothing in~~ This section ~~shall be construed to~~ DOES NOT:
33 1. Authorize a licensee in the course of providing dental services for
34 an entity registered pursuant to this section to disregard or interfere with
35 a policy or practice established by the entity for the operation and
36 management of the business.
37 2. Authorize an entity registered pursuant to this section to
38 establish or enforce a business policy or practice that may interfere with
39 the professional judgment of the licensee in providing dental services for
40 the entity or THAT may compromise a licensee's ability to comply with this
41 chapter.
42 Sec. 2. Retroactivity
43 Section 32-1213, Arizona Revised Statutes, as amended by this act,
44 applies retroactively to from and after June 30, 2007.