

REFERENCE TITLE: dental board; business entities; enforcement

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2306

Introduced by
Representatives Willoughby; Diaz, Gress

AN ACT

AMENDING SECTION 32-1213, ARIZONA REVISED STATUTES; RELATING TO THE STATE 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. Business entities; registration; renewal; civil
5 penalty; exceptions

6 A. A business entity may not offer dental services pursuant to this
7 chapter unless:

8 1. The business entity is registered with the board pursuant to
9 this section.

10 2. The services are conducted by a licensee pursuant to this
11 chapter.

12 B. The business entity must file a registration application on a
13 form provided by the board. The application must include:

14 1. A description of the business entity's services offered to the
15 public.

16 2. The name of any dentist who is authorized to provide and who is
17 responsible for providing the dental services offered at each office.

18 3. The names and addresses of the officers and directors of the
19 business entity.

20 4. The name of the business entity's custodian of records.

21 5. A registration fee prescribed by the board in rule.

22 C. A business entity must file a separate registration application
23 and pay a fee for each branch office in this state.

24 D. A registration expires three years after the date the board
25 issues the registration. A business entity that wishes to renew a
26 registration must submit an application for renewal as prescribed by the
27 board on a triennial basis on a form provided by the board before the
28 expiration date. A business entity that fails to renew the registration
29 before the expiration date is subject to a late fee as prescribed by the
30 board by rule. The board may stagger the dates for renewal applications.

31 E. The business entity must notify the board in writing within
32 thirty days after any change:

33 1. In the business entity's name, address or telephone number.

34 2. In the officers or directors of the business entity.

35 3. In the name of any dentist who is authorized to provide and who
36 is responsible for providing the dental services in any facility.

37 4. **IN** the name of the business entity's custodian of records who
38 will accept subpoenas and respond to patient records requests.

39 F. The business entity shall establish a written protocol for the
40 secure storage, transfer and access of the dental records of the business
41 entity's patients. This protocol must include, at a minimum, procedures
42 for:

43 1. Notifying patients of the future locations of their records if
44 the business entity terminates or sells the practice.

45 2. Disposing of unclaimed dental records.

1 3. The timely response to requests by patients for copies of their
2 records.

3 G. The business entity must notify the board within thirty days
4 after the dissolution of any registered business entity or the closing or
5 relocation of any facility and must disclose to the board the business
6 entity's procedure by which its patients may obtain their records.

7 H. The board may do any of the following pursuant to its
8 disciplinary procedures if a business entity violates the board's statutes
9 or rules:

10 1. Refuse to issue a registration.

11 2. Suspend or revoke a registration.

12 3. Impose a civil penalty of not more than \$2,000 for each
13 violation.

14 4. Enter a decree of censure.

15 5. Issue an order prescribing a period and terms of probation that
16 are best adapted to protect the public welfare and that may include a
17 requirement for restitution to a patient for a violation of this chapter
18 or rules adopted pursuant to this chapter.

19 6. Issue a letter of concern if a business entity's actions may
20 cause the board to take disciplinary action.

21 7. ISSUE A CEASE AND DESIST ORDER ON A BUSINESS ENTITY THAT IS
22 REQUIRED TO BE REGISTERED AND IS NOT REGISTERED PURSUANT TO THIS SECTION.
23 THE BOARD SHALL PROVIDE NOTICE TO THE UNREGISTERED BUSINESS ENTITY THAT
24 THE BUSINESS ENTITY HAS THIRTY DAYS IN WHICH TO REGISTER WITH THE BOARD OR
25 THE BUSINESS ENTITY WILL BE PROHIBITED FROM REGISTERING FOR ONE YEAR.

26 I. The board shall deposit, pursuant to sections 35-146 and 35-147,
27 civil penalties collected pursuant to this section in the state general
28 fund.

29 J. This section does not apply to:

30 1. A sole proprietorship or partnership that consists exclusively
31 of dentists who are licensed pursuant to this chapter.

32 2. Any of the following entities licensed under title 20:

33 (a) A service corporation.

34 (b) An insurer authorized to transact disability insurance.

35 (c) A prepaid dental plan organization that does not provide
36 directly for prepaid dental services.

37 (d) A health care services organization that does not provide
38 directly for dental services.

39 3. A professional corporation or professional limited liability
40 company, the shares of which are exclusively owned by dentists who are
41 licensed pursuant to this chapter and that is formed to engage in the
42 practice of dentistry pursuant to title 10, chapter 20 or title 29
43 relating to professional limited liability companies.

44 4. A facility regulated by the federal government or a state,
45 district or territory of the United States.

1 5. An administrator or executor of the estate of a deceased dentist
2 or a person who is legally authorized to act for a dentist who has been
3 adjudicated to be mentally incompetent for not more than one year after
4 the date the board receives notice of the dentist's death or
5 incapacitation pursuant to section 32-1270.

6 K. A facility that offers dental services to the public by persons
7 licensed under this chapter shall be registered by the board unless the
8 facility is any of the following:

- 9 1. Owned by a dentist who is licensed pursuant to this chapter.
10 2. Regulated by the federal government or a state, district or
11 territory of the United States.

12 L. Except for issues relating to insurance coding and billing that
13 require the name, signature and license number of the dentist providing
14 treatment, this section does not:

15 1. Authorize a licensee in the course of providing dental services
16 for a business entity registered pursuant to this section to disregard or
17 interfere with a policy or practice established by the business entity for
18 the operation and management of the business.

19 2. Authorize a business entity registered pursuant to this section
20 to establish or enforce a business policy or practice that may interfere
21 with the clinical judgment of the licensee in providing dental services
22 for the business entity or may compromise a licensee's ability to comply
23 with this chapter.

24 M. The board shall adopt rules that provide a method for the board
25 to receive the assistance and advice of business entities licensed
26 pursuant to this chapter in all matters relating to the regulation of
27 business entities.

28 N. An individual currently holding a surrendered or revoked license
29 to practice dentistry or dental hygiene in any state or jurisdiction in
30 the United States may not have a majority ownership interest in the
31 business entity registered pursuant to this section. Revocation and
32 surrender of licensure shall be limited to disciplinary actions resulting
33 in loss of license or surrender of license instead of disciplinary action.
34 Dentists or dental hygienists affected by this subsection shall have one
35 year after the surrender or revocation to divest themselves of their
36 ownership interest. This subsection does not apply to publicly held
37 companies. For the purposes of this subsection, "majority ownership
38 interest" means an ownership interest greater than fifty percent.