Official House Resolution and Board Comments Attached

Resolution 522 – Transparency in Dental Practice Ownership, Management, and Outside Investors

Author: Dr. Spencer Bloom, Delegate

IF YOU VOTE YES

A YES vote supports the action requested in the resolving clauses. This resolution establishes ADA policy requiring transparency in dental practice ownership and control. It ensures that patients can clearly see who owns and manages their dental office, including any Dental Service Organizations or outside investors that hold financial or operational control. A YES vote affirms that patients have the right to know who is ultimately responsible for their care and that licensed dentists retain accountability for all treatment decisions.

IF YOU VOTE NO

A NO vote protects the current system that allows private equity and management firms to hide behind layers of corporate structure. It leaves patients unaware of who truly controls their dental office and weakens accountability when problems arise. It accepts the continued blurring of lines between clinical responsibility and investor control, putting financial interests ahead of patient trust.

SUMMARY

Resolution 522 adopts a new ADA policy on transparency in ownership, management, and outside investors. It encourages state dental boards to require that every dental office clearly disclose:

1. The name of the registered owner and licensed dentist(s) responsible for patient care.
2. Any management company, DSO, or investor with a controlling interest.
3. Visible posting of this information at the front desk, on websites, signage, and marketing materials.

This transparency aligns with state laws in Illinois, Oregon, and Washington that affirm a dentist's ultimate clinical accountability. It also follows existing federal disclosure standards under 42 CFR § 455.104 for healthcare ownership. The goal is not to restrict business models but to restore clarity, integrity, and trust for patients and practitioners alike.

WE APPRECIATE THE BOARD'S SUPPORT

While the Board questioned background wording, it endorsed the substitute resolution 522B and recommended a YES vote. The substitute still supports public transparency and state-level adoption of ownership disclosure rules. DIGAC welcomes this support as a step toward protecting patients, clarifying accountability, and reinforcing professional ethics.

TALKING POINTS

- Transparency in ownership protects patients and reinforces ethical accountability.
- Patients have a right to know who controls their dental office.
- Non-dentist investors must not obscure who is responsible for care decisions.
- This mirrors federal disclosure rules and modernizes ADA ethics for today’s market.
- Honest, visible ownership information strengthens public trust in dentistry.
- A YES vote aligns with integrity, professionalism, and patient-first values.

Prepared by Dentistry in General Advocacy Coalition
https://dentistryingeneral.com/digac

Resolution No. 522 New

Report: N/A Date Submitted: June 6, 2025

Submitted By: Dr. Spencer Bloom, delegate, Illinois

Reference Committee: D (Legislative, Governance and Related Matters)

Total Net Financial Implication: None Net Dues Impact:

Amount One-time: Amount On-going:

ADA Strategic Forecast Outcome: Public Profession: Drive evidence-based, ethical quality care.

TRANSPARENCY IN DENTAL PRACTICE OWNERSHIP, MANAGEMENT AND OUTSIDE INVESTORS

The following resolution was submitted on Friday, June 6, 2025, by Dr. Spencer Bloom, delegate, Illinois.

Background: When patients walk into a dental practice, they deserve to know who is ultimately responsible for their care. This resolution ensures that such accountability is clearly and consistently disclosed—empowering patients to make informed decisions about their healthcare.

Patients have a fundamental right to know who owns and controls the dental practices where they receive care. Clinical accountability within a dental practice must reside with licensed professionals, regardless of the underlying business structure. Further, the *Bylaws* state that members' professional conduct is governed by the ADA Principles of Ethics and Code of Professional Conduct (Chapter XI, Section 10.A.), and violations of these principles may result in disciplinary action (Section 20). When patients are unaware of who owns or controls a practice, they cannot reasonably determine who is responsible for decisions about their care. Transparency in ownership is therefore a necessary extension of the ADA's ethical and governance framework—ensuring that accountability remains visible and enforceable.

The increasing involvement of private equity (PE) firms and other non-dentist investors in dental practices has introduced financial models that may prioritize investor returns over patient-centered care. These models often impose high profit expectations—sometimes requiring returns as high as 20%—which, in the context of rising operational costs and staffing challenges, can pressure practices to compromise on care quality or lead to abrupt closures. Such scenarios disrupt patient care continuity and leave families without recourse. Source: Global Healthcare Private Equity Report 2025, Bain & Company, page 20. Full report available at: https://www.bain.cn/pdfs/202501101020214586.pdf?utm.

The term "Dental Support Organization" (DSO) was introduced to describe business structures that comply with state laws restricting practice ownership to licensed dentists while allowing non-dentist entities to exert operational and financial control. In many cases, non-dentist investors operate through complex corporate structures that obscure lines of accountability. This structure can mislead patients about who is actually making business decisions that influence clinical protocols, staffing levels, and treatment availability.

The Social Security Act and its implementing regulations at 42 CFR §§ 455.100–106 require Medicaid providers to disclose detailed ownership and control information. Specifically, 42 CFR § 455.104(b)(1) mandates that providers must report "the name and address of each person (individual or corporation) with an ownership or control interest." Ownership or control interest includes anyone with 5% or more direct or indirect ownership, officers or directors of a corporation, or partners in a partnership (42 CFR § 455.101). These disclosure rules affirm the legal standard that individuals or entities responsible for healthcare operations must be clearly identifiable.

Several states—including California, Connecticut, Illinois, Indiana, Massachusetts, New Mexico, New York, Oregon, South Carolina, Texas, Vermont, and Washington—have introduced or expanded legislation to increase oversight of private equity and management services organizations operating in healthcare. These include both "Mini-HSR" laws requiring pre-transaction notification and approval, and corporate practice restrictions aimed at preserving the clinical autonomy of licensed healthcare professionals. These state efforts reflect growing concern over the influence of investor-driven business models on care delivery and patient outcomes.

In June 2025, Oregon passed SB 951, a landmark law restricting private equity and Managed Service Organization (MSO) control over healthcare practices. The law bans corporate influence over clinical decisions, prohibits MSO ownership or governance roles, and voids non-compete and control-based contract clauses. It ensures that only licensed professionals direct patient care. Full compliance is required by 2029.

The Illinois, Oregon, and Washington Dental Practice Acts each reinforce a common standard: licensed dentists retain ultimate responsibility for patient care**,** even within corporate or DSO-affiliated structures. In Illinois, the law states that nothing "shall be construed in any way to relieve the supervising dentist from ultimate responsibility for the care of his or her patient" (Illinois Dental Practice Act, 225 ILCS 25/2), and prohibits non-dentists from interfering with a dentist's clinical judgment (225 ILCS 25/37). Oregon law further affirms that only licensed dentists may own or operate a dental practice and must designate a clinical director responsible for diagnosis, treatment, staffing, and the quality of care (Oregon Revised Statutes 679.020(2) and (4)(a)). In Washington, Senate Bill 5322, enacted in 2017, prohibits third-party interference in the dentist–patient relationship and ensures that care decisions remain under the exclusive authority of licensed providers. These laws illustrate the widely shared legal expectation that clinical accountability cannot be transferred to corporate managers or financial stakeholders**.**

- Illinois Dental Practice Act
  Section 2: https://ilga.gov/legislation/ilcs/fulltext.asp?DocName=022500250K2
  Section 37: https://ilga.gov/legislation/ilcs/fulltext.asp?DocName=022500250K37
- Oregon Revised Statutes § 679.020
  https://www.oregonlegislature.gov/bills_laws/ors/ors679.html
- Washington Senate Bill 5322 (2017)
  Interference with licensee's independent clinical judgment. (SB 5322, Section 3, page 3)

Several states are currently considering laws that would require healthcare entities, including dental practices, to disclose ownership and control information. While these measures are still in the proposal or implementation phase, ADA member practices can demonstrate leadership by voluntarily adopting transparency practices. This could include clearly identifying the licensed dentist(s) accountable for patient care, ownership structures, or affiliated management entities on their websites or patient-facing materials.

Ownership transparency is not a restriction on business structure—it is a matter of consumer protection, accountability, and ethics. It is important to ensure that this policy fully complies with antitrust laws and Federal Trade Commission regulations, as emphasized in *North Carolina State Board of Dental Examiners v. FTC*, 574 U.S. 494 (2015). The goal is to equip patients with accurate, accessible information—not to restrict access to care or limit competition.

The same owner or management company can operate multiple locations under different names or brands, which may mislead patients into believing they are switching providers when in fact they are not. Lack of clarity about who owns and manages a practice makes it harder for patients to know who is accountable for decisions and creates barriers when concerns arise. It also reduces trust in the profession and makes it more difficult for employees to resolve issues within their workplace.

Clear signage listing both the legal owner of record and any affiliated management company or service organization responsible for day-to-day operations would give patients accurate information before they schedule or receive care. This type of visible disclosure would encourage ethical practice operations and supports transparency across all dental practices, regardless of business model.

Resolution

522. Resolved, that the ADA the policy on Transparency in Dental Practice Ownership, Management, and Outside Investors be adopted as follows:

The American Dental Association encourages all state dental boards to require clear and accessible disclosure of dental practice ownership and financial control for the benefit of patients, including:

(1) the name(s) of the registered owner and licensed dentist(s) legally responsible for patient care at each location, and

(2) if applicable, the name of any Dental Service Organization, management firm, business, or investor with controlling interest, and

(3) such information shall be posted visibly from the patient side of the front desk, published on the practice website, included in all public-facing marketing materials (including digital directories and online platforms), and placed on office signage, stationery, and patient communications,

and be it further

Resolved, that the ADA constituents encourage all state dental boards and relevant authorities to adopt these transparency requirements, and that the ADA publish sample language and layout recommendations for signage and disclosures to support practices in implementing these measures effectively.

BOARD COMMENT: While the Board supports the spirit of the resolution, transparency in practice ownership, the Board does not agree with the validity of the inaccurate background information contained in Resolution 522. It is further concerned that the language contained therein can misguide delegates during their decision-making process. The Board recommends the following substitute resolution be adopted.

522B. Resolved, that the ADA the policy on Transparency in Dental Practice Ownership, Management, and Outside Investors be adopted as follows (additions <u>underlined</u>, deletions ~~stricken through~~):

The American Dental Association encourages all state dental ~~boards~~ <u>societies and constituents to advocate for laws to require state dental boards</u> to require clear and accessible disclosure of dental practice ownership and financial control for the benefit of patients, including:

(1) the name(s) of the registered owner and licensed dentist(s) legally responsible for patient care at each location, and

(2) if applicable, the name of any Dental Service Organization, management firm, business, or investor with controlling interest, and

(3) such information shall be posted visibly from the patient side of the front desk, published on the practice website, included in all public-facing marketing materials (including digital

directories and online platforms), and placed on office signage, stationery, and patient communications,

and be it further

Resolved, that the ADA ~~constituents encourage all state dental boards and relevant authorities to adopt these transparency requirements, and that the ADA~~ publish sample language and layout recommendations for signage and disclosures to support practices in implementing these measures effectively.

BOARD RECOMMENDATION: Vote Yes on the Substitute.

Vote: Resolution 522B

BERG	Yes	DOWD	Yes	KNAPP	Yes	STUEFEN	Yes
BOYLE	Yes	GRAHAM	Yes	MANN	Yes	TULAK-GORECKI	Yes
BROWN	Yes	HISEL	Absent	MARKARIAN	Yes	WANAMAKER	Yes
CAMMARATA	Yes	HOWARD	Yes	MERCER	Yes		
CHOPRA	Yes	IRANI	Yes	REAVIS	Yes		
DEL VALLE-SEPÚLVEDA	Yes	KAHL	Yes	ROSATO	Yes		