



Dear Members of the Wisconsin Legislature:

On behalf of our supporters across the state, we write today to express concern and raise questions about AB 368, legislation proposed by the Wisconsin Dental Association (WDA) that would grant the Wisconsin Dentistry Examining Board (WDEB) onerous and unnecessary new regulatory powers. AB 386 takes aim at Dental Support Organizations and would restrict the ability of dentists in Wisconsin to run their practices more efficiently and cost-effectively by contracting with management companies to handle administrative and other non-clinical duties. Impeding the ability of a dentist to run his or her practice as needed will harm consumers and taxpayers across Wisconsin by limiting access to care, increasing costs, eliminating jobs, and discouraging in-state investment.

According to a study by former Reagan administration economist Art Laffer, DSO supported dentists charge lower rates than dentists who choose not to contract with DSOs. The DSO model has been good for consumers and it's a model that has been used for decades by a host of other health professionals such as optometrists, emergency room managers, oncologists, and other doctors.

The WDEB is charged with regulating the clinical aspects of dentistry, including direct regulation of dentists and hygienists. They do not have the authority or expertise to regulate the entities with which dentists elect to contract for non-clinical services. Requiring DSOs to register with the WDEB and granting the board broad regulatory ability to investigate DSOs, even if no complaint has been filed, is simply an outrageous expansion of government regulatory power. DSOs do not conduct clinical work and should not be regulated by the Dental Board as though they do. DSOs perform no clinical work and the WDEB already has the regulatory authority required to ensure that all dentists deliver high quality care to their patients, irrespective of how they choose to contract for administrative services.

The Federal Trade Commission has weighed in on legislative and regulatory attempts to hinder the DSO model, warning that "Restrictions on the ability of dentists to run their practices by contracting out the management functions provided by DSOs may reduce competition and consumer choice by preventing the emergence and expansion of new, more efficient forms of professional practice." In 2012, the American Dental Association declared, "States should implement administrative reforms to cut red tape that impedes dentists from delivering care and

patients from receiving it.” WDA’s attempt to restrict the ability of a dentist to run his or her practice flies in the face of this advice.

As the non-partisan John Locke Foundation correctly pointed out in response to a legislative effort to hinder DSOs in North Carolina, lawmakers “should be looking at ways to expand dental care...not restrict it. If a management company is interested in assuming purchasing, billing and administrative duties and a dentist wants to spend more time on patient care, they ought to be allowed to work out whatever arrangement works best for them.”

We, the undersigned organizations, appreciate your taking the aforementioned concerns into account as this debate progresses.

Sincerely,

Brett Healy  
President  
MacIver Institute for Public Policy

Grover G. Norquist  
President  
Americans for Tax Reform

Pete Sepp  
President  
National Taxpayers Union