

AMENDED IN ASSEMBLY APRIL 22, 2015

AMENDED IN ASSEMBLY APRIL 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 502**

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**Introduced by Assembly Member Chau**

February 23, 2015

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An act to amend Section 1926 of the Business and Professions Code, to amend Sections 13401 and 13401.5 of the Corporations Code, to add Section 1374.196 to the Health and Safety Code, and to add Section 10120.4 to the Insurance Code, relating to dental hygiene.

LEGISLATIVE COUNSEL'S DIGEST

AB 502, as amended, Chau. Dental hygiene.

(1) Existing law, the Dental Practice Act, provides for the licensure and regulation of registered dental hygienists, registered dental hygienists in extended functions, and registered dental hygienists in alternative practice by the Dental Hygiene Committee of California.

Existing law authorizes a registered dental hygienist in alternative practice to perform various duties in specified settings, including dental health professional shortage areas, as certified by the Office of Statewide Health Planning and Development.

~~This bill would require an alternative dental hygiene practice established within a certified shortage area to continue regardless of certification.~~

*This bill would provide that an alternative dental hygiene practice established within a certified shortage area is not required to close due to the removal of the dental health professional shortage area*

*designation if the registered dental hygienist in alternative practice meets certain requirements.*

(2) Existing law, the Moscone-Knox Professional Corporation Act, prohibits a professional corporation from rendering professional services in this state without a currently effective certificate of registration issued by the governmental agency regulating the profession in which the corporation is or proposes to be engaged and excepts any professional corporation rendering professional services by persons duly licensed by specified state entities from that requirement. Existing law authorizes specified healing arts practitioners to be shareholders, officers, directors, or professional employees of a designated professional corporation, subject to certain limitations relating to ownership of shares.

This bill would additionally except any professional corporation rendering professional services by persons duly licensed by the Dental Hygiene Committee of California from the certificate of registration requirement. The bill would authorize dental assistants and licensed dentists to be shareholders, officers, directors, or professional employees of a registered dental hygienist in alternative practice corporation.

(3) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law provides certain standards that govern health care service plan contracts covering dental services, health insurance policies covering dental services, specialized health care service plan contracts covering dental services, and specialized health insurance policies covering dental services.

This bill would require health care service plan contracts covering dental services, health insurance policies covering dental services, specialized health care service plan contracts covering dental services, and specialized health insurance policies covering dental services issued, amended, or renewed on or after January 1, 2016, to ~~reimburse~~ *provide specified reimbursement for* registered dental hygienists in alternative practice ~~for~~ performing dental hygiene services that may lawfully be performed by registered dental hygienists and that are reimbursable under the contracts or policies. The bill would also require the plan or insurer to use the same fee schedule for reimbursing both registered dental hygienists and registered dental hygienists in alternative practice. Because a willful violation of the bill's provisions by a health care service plan covering dental services or a specialized health care service

plan covering dental services would be a crime, it would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1926 of the Business and Professions  
2 Code is amended to read:

3 1926. A registered dental hygienist in alternative practice may  
4 perform the duties authorized pursuant to subdivision (a) of Section  
5 1907, subdivision (a) of Section 1908, and subdivisions (a) and  
6 (b) of Section 1910 in the following settings:

- 7 (a) Residences of the homebound.
- 8 (b) Schools.
- 9 (c) Residential facilities and other institutions.
- 10 (d) Dental health professional shortage areas, as certified by the  
11 Office of Statewide Health Planning and Development in  
12 accordance with existing office guidelines. ~~An alternative dental  
13 hygiene practice established within a certified shortage area shall  
14 continue regardless of certification. An alternative dental hygiene  
15 practice established within a certified shortage area shall not be  
16 required to close due to the removal of the dental health  
17 professional shortage area designation if the registered dental  
18 hygienist in alternative practice continues to serve those patients  
19 that lack or have limited access to dental care including, but not  
20 limited to, Medi-Cal program patients, and at least 40 percent of  
21 the total alternative dental hygiene practice serves those  
22 underserved populations.~~

23 SEC. 2. Section 13401 of the Corporations Code is amended  
24 to read:

- 25 13401. As used in this part:
  - 26 (a) “Professional services” means any type of professional  
27 services that may be lawfully rendered only pursuant to a license,

1 certification, or registration authorized by the Business and  
2 Professions Code, the Chiropractic Act, or the Osteopathic Act.

3 (b) “Professional corporation” means a corporation organized  
4 under the General Corporation Law or pursuant to subdivision (b)  
5 of Section 13406 that is engaged in rendering professional services  
6 in a single profession, except as otherwise authorized in Section  
7 13401.5, pursuant to a certificate of registration issued by the  
8 governmental agency regulating the profession as herein provided  
9 and that in its practice or business designates itself as a professional  
10 or other corporation as may be required by statute. However, any  
11 professional corporation or foreign professional corporation  
12 rendering professional services by persons duly licensed by the  
13 Medical Board of California or any examining committee under  
14 the jurisdiction of the board, the Osteopathic Medical Board of  
15 California, the Dental Board of California, the Dental Hygiene  
16 Committee of California, the California State Board of Pharmacy,  
17 the Veterinary Medical Board, the California Architects Board,  
18 the Court Reporters Board of California, the Board of Behavioral  
19 Sciences, the Speech-Language Pathology and Audiology Board,  
20 the Board of Registered Nursing, or the State Board of Optometry  
21 shall not be required to obtain a certificate of registration in order  
22 to render those professional services.

23 (c) “Foreign professional corporation” means a corporation  
24 organized under the laws of a state of the United States other than  
25 this state that is engaged in a profession of a type for which there  
26 is authorization in the Business and Professions Code for the  
27 performance of professional services by a foreign professional  
28 corporation.

29 (d) “Licensed person” means any natural person who is duly  
30 licensed under the provisions of the Business and Professions  
31 Code, the Chiropractic Act, or the Osteopathic Act to render the  
32 same professional services as are or will be rendered by the  
33 professional corporation or foreign professional corporation of  
34 which he or she is, or intends to become, an officer, director,  
35 shareholder, or employee.

36 (e) “Disqualified person” means a licensed person who for any  
37 reason becomes legally disqualified (temporarily or permanently)  
38 to render the professional services that the particular professional  
39 corporation or foreign professional corporation of which he or she  
40 is an officer, director, shareholder, or employee is or was rendering.

1 SEC. 3. Section 13401.5 of the Corporations Code is amended  
2 to read:

3 13401.5. Notwithstanding subdivision (d) of Section 13401  
4 and any other provision of law, the following licensed persons  
5 may be shareholders, officers, directors, or professional employees  
6 of the professional corporations designated in this section so long  
7 as the sum of all shares owned by those licensed persons does not  
8 exceed 49 percent of the total number of shares of the professional  
9 corporation so designated herein, and so long as the number of  
10 those licensed persons owning shares in the professional  
11 corporation so designated herein does not exceed the number of  
12 persons licensed by the governmental agency regulating the  
13 designated professional corporation. This section does not limit  
14 employment by a professional corporation designated in this section  
15 to only those licensed professionals listed under each subdivision.  
16 Any person duly licensed under Division 2 (commencing with  
17 Section 500) of the Business and Professions Code, the  
18 Chiropractic Act, or the Osteopathic Act may be employed to  
19 render professional services by a professional corporation  
20 designated in this section.

- 21 (a) Medical corporation.
- 22 (1) Licensed doctors of podiatric medicine.
  - 23 (2) Licensed psychologists.
  - 24 (3) Registered nurses.
  - 25 (4) Licensed optometrists.
  - 26 (5) Licensed marriage and family therapists.
  - 27 (6) Licensed clinical social workers.
  - 28 (7) Licensed physician assistants.
  - 29 (8) Licensed chiropractors.
  - 30 (9) Licensed acupuncturists.
  - 31 (10) Naturopathic doctors.
  - 32 (11) Licensed professional clinical counselors.
  - 33 (12) Licensed physical therapists.
- 34 (b) Podiatric medical corporation.
- 35 (1) Licensed physicians and surgeons.
  - 36 (2) Licensed psychologists.
  - 37 (3) Registered nurses.
  - 38 (4) Licensed optometrists.
  - 39 (5) Licensed chiropractors.
  - 40 (6) Licensed acupuncturists.

- 1 (7) Naturopathic doctors.
- 2 (8) Licensed physical therapists.
- 3 (c) Psychological corporation.
- 4 (1) Licensed physicians and surgeons.
- 5 (2) Licensed doctors of podiatric medicine.
- 6 (3) Registered nurses.
- 7 (4) Licensed optometrists.
- 8 (5) Licensed marriage and family therapists.
- 9 (6) Licensed clinical social workers.
- 10 (7) Licensed chiropractors.
- 11 (8) Licensed acupuncturists.
- 12 (9) Naturopathic doctors.
- 13 (10) Licensed professional clinical counselors.
- 14 (d) Speech-language pathology corporation.
- 15 (1) Licensed audiologists.
- 16 (e) Audiology corporation.
- 17 (1) Licensed speech-language pathologists.
- 18 (f) Nursing corporation.
- 19 (1) Licensed physicians and surgeons.
- 20 (2) Licensed doctors of podiatric medicine.
- 21 (3) Licensed psychologists.
- 22 (4) Licensed optometrists.
- 23 (5) Licensed marriage and family therapists.
- 24 (6) Licensed clinical social workers.
- 25 (7) Licensed physician assistants.
- 26 (8) Licensed chiropractors.
- 27 (9) Licensed acupuncturists.
- 28 (10) Naturopathic doctors.
- 29 (11) Licensed professional clinical counselors.
- 30 (g) Marriage and family therapist corporation.
- 31 (1) Licensed physicians and surgeons.
- 32 (2) Licensed psychologists.
- 33 (3) Licensed clinical social workers.
- 34 (4) Registered nurses.
- 35 (5) Licensed chiropractors.
- 36 (6) Licensed acupuncturists.
- 37 (7) Naturopathic doctors.
- 38 (8) Licensed professional clinical counselors.
- 39 (h) Licensed clinical social worker corporation.
- 40 (1) Licensed physicians and surgeons.

- 1 (2) Licensed psychologists.
- 2 (3) Licensed marriage and family therapists.
- 3 (4) Registered nurses.
- 4 (5) Licensed chiropractors.
- 5 (6) Licensed acupuncturists.
- 6 (7) Naturopathic doctors.
- 7 (8) Licensed professional clinical counselors.
- 8 (i) Physician assistants corporation.
- 9 (1) Licensed physicians and surgeons.
- 10 (2) Registered nurses.
- 11 (3) Licensed acupuncturists.
- 12 (4) Naturopathic doctors.
- 13 (j) Optometric corporation.
- 14 (1) Licensed physicians and surgeons.
- 15 (2) Licensed doctors of podiatric medicine.
- 16 (3) Licensed psychologists.
- 17 (4) Registered nurses.
- 18 (5) Licensed chiropractors.
- 19 (6) Licensed acupuncturists.
- 20 (7) Naturopathic doctors.
- 21 (k) Chiropractic corporation.
- 22 (1) Licensed physicians and surgeons.
- 23 (2) Licensed doctors of podiatric medicine.
- 24 (3) Licensed psychologists.
- 25 (4) Registered nurses.
- 26 (5) Licensed optometrists.
- 27 (6) Licensed marriage and family therapists.
- 28 (7) Licensed clinical social workers.
- 29 (8) Licensed acupuncturists.
- 30 (9) Naturopathic doctors.
- 31 (10) Licensed professional clinical counselors.
- 32 (l) Acupuncture corporation.
- 33 (1) Licensed physicians and surgeons.
- 34 (2) Licensed doctors of podiatric medicine.
- 35 (3) Licensed psychologists.
- 36 (4) Registered nurses.
- 37 (5) Licensed optometrists.
- 38 (6) Licensed marriage and family therapists.
- 39 (7) Licensed clinical social workers.
- 40 (8) Licensed physician assistants.

- 1 (9) Licensed chiropractors.
- 2 (10) Naturopathic doctors.
- 3 (11) Licensed professional clinical counselors.
- 4 (m) Naturopathic doctor corporation.
- 5 (1) Licensed physicians and surgeons.
- 6 (2) Licensed psychologists.
- 7 (3) Registered nurses.
- 8 (4) Licensed physician assistants.
- 9 (5) Licensed chiropractors.
- 10 (6) Licensed acupuncturists.
- 11 (7) Licensed physical therapists.
- 12 (8) Licensed doctors of podiatric medicine.
- 13 (9) Licensed marriage and family therapists.
- 14 (10) Licensed clinical social workers.
- 15 (11) Licensed optometrists.
- 16 (12) Licensed professional clinical counselors.
- 17 (n) Dental corporation.
- 18 (1) Licensed physicians and surgeons.
- 19 (2) Dental assistants.
- 20 (3) Registered dental assistants.
- 21 (4) Registered dental assistants in extended functions.
- 22 (5) Registered dental hygienists.
- 23 (6) Registered dental hygienists in extended functions.
- 24 (7) Registered dental hygienists in alternative practice.
- 25 (o) Professional clinical counselor corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Licensed psychologists.
- 28 (3) Licensed clinical social workers.
- 29 (4) Licensed marriage and family therapists.
- 30 (5) Registered nurses.
- 31 (6) Licensed chiropractors.
- 32 (7) Licensed acupuncturists.
- 33 (8) Naturopathic doctors.
- 34 (p) Physical therapy corporation.
- 35 (1) Licensed physicians and surgeons.
- 36 (2) Licensed doctors of podiatric medicine.
- 37 (3) Licensed acupuncturists.
- 38 (4) Naturopathic doctors.
- 39 (5) Licensed occupational therapists.
- 40 (6) Licensed speech-language therapists.

- 1 (7) Licensed audiologists.
- 2 (8) Registered nurses.
- 3 (9) Licensed psychologists.
- 4 (10) Licensed physician assistants.
- 5 (q) Registered dental hygienist in alternative practice
- 6 corporation.
- 7 (1) Dental assistants.
- 8 (2) Licensed dentists.
- 9 SEC. 4. Section 1374.196 is added to the Health and Safety
- 10 Code, to read:
- 11 1374.196. (a) This section shall only apply to a health care
- 12 service plan contract covering dental services or a specialized
- 13 health care service plan contract covering dental services issued,
- 14 amended, or renewed on or after January 1, 2016.
- 15 (b) A registered dental hygienist in alternative practice, licensed
- 16 pursuant to Section 1922 of the Business and Professions Code,
- 17 may submit or allow to be submitted on his or her behalf any claim
- 18 for dental hygiene services performed as authorized pursuant to
- 19 Article 9 (commencing with Section 1900) of Chapter 4 of Division
- 20 2 of the Business and Professions Code to a health care service
- 21 plan covering dental services or a specialized health care service
- 22 plan covering dental services.
- 23 (c) If a health care service plan contract covering dental services
- 24 or a specialized health care service plan contract covering dental
- 25 services provides reimbursement for dental hygiene services that
- 26 may lawfully be performed by a registered dental hygienist,
- 27 licensed pursuant to Section 1917 of the Business and Professions
- 28 Code, reimbursement under that plan contract *to a contracted*
- 29 *provider, or to an enrollee if out-of-network services are covered,*
- 30 shall not be denied when the service is performed by a registered
- 31 dental hygienist in alternative practice.
- 32 (d) (1) Nothing in this section shall preclude a health care
- 33 service plan contract covering dental services or a specialized
- 34 health care service plan contract covering dental services from
- 35 setting different fee schedules for different services provided by
- 36 different providers.
- 37 (2) A health care service plan contract covering dental services
- 38 or a specialized health care service plan contract covering dental
- 39 services shall use the same fee schedule for dental hygiene services

1 whether the services are performed by a registered dental hygienist  
2 or a registered dental hygienist in alternative practice.

3 SEC. 5. Section 10120.4 is added to the Insurance Code, to  
4 read:

5 10120.4. (a) This section shall only apply to a health insurance  
6 policy covering dental services or a specialized health insurance  
7 policy covering dental services issued, amended, or renewed on  
8 or after January 1, 2016.

9 (b) A registered dental hygienist in alternative practice, licensed  
10 pursuant to Section 1922 of the Business and Professions Code,  
11 may submit or allow to be submitted on his or her behalf any claim  
12 for dental hygiene services performed as authorized pursuant to  
13 Article 9 (commencing with Section 1900) of Chapter 4 of Division  
14 2 of the Business and Professions Code to a health insurer covering  
15 dental services or a specialized health insurer covering dental  
16 services.

17 (c) If a health insurance policy covering dental services or a  
18 specialized health insurance policy covering dental services  
19 provides for reimbursement for dental hygiene services that may  
20 lawfully be performed by a registered dental hygienist, licensed  
21 pursuant to Section 1917 of the Business and Professions Code,  
22 reimbursement under that policy *to a contracted provider, or to*  
23 *an insured if out-of-network services are covered*, shall not be  
24 denied when the service is performed by a registered dental  
25 hygienist in alternative practice.

26 (d) (1) Nothing in this section shall preclude a health insurance  
27 policy covering dental services or a specialized health insurance  
28 policy covering dental services from setting different fee schedules  
29 for different services provided by different providers.

30 (2) A health insurance policy covering dental services or a  
31 specialized health insurance policy covering dental services shall  
32 use the same fee schedule for dental hygiene services whether the  
33 services are performed by a registered dental hygienist or a  
34 registered dental hygienist in alternative practice.

35 SEC. 6. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

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