

# Policy Statement 5.3 – Practice Ownership

## Position Summary

There is a potential conflict of interest between the responsibilities of an employed or contracted dentists and owners of dental practices. There must be sufficient legislative power and resources to prosecute unethical and unscrupulous practice owner behaviour.

## 1. Background

- 1.1. There has been a progressive increase in corporate delivery of dental services.
- 1.2. The establishment of national registration on 1 July 2010 provides opportunities for the ownership of dental practices by non-dentists and corporate entities Australia wide.
- 1.3. The Board has no power to regulate non-dental practice ownership.
- 1.4. Private Health Insurers (PHI's) supply dental services as corporate owners. PHI's hold extensive detailed records of competitor dental practices that are not available to all stakeholders giving them an unfair competitive advantage.
- 1.5. The primary responsibility of a corporation is to maximise the return to shareholders.
- 1.6. The primary responsibility of a dentist is the duty of care to a patient
- 1.7. There is a potential conflict of interest between aims and the responsibilities of a dentist and owners of dental practices. This may increase where ownership is remote from dentists and patients.
- 1.8. The introduction of an additional managerial layer and the need to provide financial returns to the shareholder or owner may compromise patient-centred treatment.

## Definitions

- 1.9. BOARD is the Dental Board of Australia.
- 1.10. CORPORATION is a legal entity that is separate and distinct from its owners.
- 1.11. DENTIST is an appropriately qualified dental practitioner, registered by the Board to practise all areas of dentistry.
- 1.12. DENTAL PRACTITIONER is a person registered by the Board to provide dental care.

<sup>1</sup> Fisher, Elliott S. "Building a medical neighborhood for the medical home." *New England Journal of Medicine* 359.12 (2008): 1202-1205.

## 2. Position

- 2.1. The oral health needs of patients and their families are best met by local community based clinically efficient and ethically conducted practices. This model provides oral health as part of the patient-centred medical neighborhood and encourages continuity of oral and interprofessional care.<sup>1</sup>
- 2.2. Dentist-owned practices are the model of care that offer the most optimal delivery of patient-centred oral care whilst still being the most efficient commercially.
- 2.3. There is a potential conflict of interest between the responsibilities of dentists working at corporate practices and the practice owners.
- 2.4. Quality and efficiency gains are equally achievable within the existing framework of dentist-owned practices, without the need for equity investment by non-dentists or corporate owners.
- 2.5. Dental practices should be owned or at least effectively controlled by dentists.
- 2.6. A dentist must not be impeded by any practice- owner that in any way is detrimental to or unduly influential on the dentist – patient relationship or on the delivery of dental services.
- 2.7. There must be sufficient legislative power and resources to:
  - prosecute unethical and unscrupulous practice-owner behaviour;
  - limit, restrict or constrain corporations that are found guilty of such behaviour; and
  - ensure that investigative and procedural mechanisms are expedient and performed in such a manner as to protect the community.

### Policy Statement 5.3

Adopted by ADA Federal Council, November 21/22, 2002.

Amended by ADA Federal Council, November 15/16, 2007.

Amended by ADA Federal Council, April 14/15, 2011.

Amended by ADA Federal Council, April 10/11, 2014.

Amended by ADA Federal Council, April 6/7, 2017.

Amended by ADA Federal Council, August 21, 2020