

**Testimony to the  
House Committee on Public Health**

Presented by  
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Madame Chair and members of the committee, good afternoon and thank you for inviting me to talk with you about a very important issue regarding children's oral health care in the state of Texas. My name is Dr. Diane Earle and I am here to testify before you today in my capacity as a dentist licensed in the state of Texas for almost 30 years and as the Senior Regional Dental Director for Kool Smiles.

Kool Smiles opened our first Texas office in 2007 to meet the dental health needs of the underserved and has grown to 38 offices across the state. We employ nearly 800 Texans, 85 of whom are dentists. Our company was built on the premise that all families have the right to receive access to quality dental care, and our mission at Kool Smiles is to provide high quality dental services to communities that are often overlooked or are otherwise underserved. As you may know, tooth decay is the single most common childhood disease - more so than asthma - and it is on the rise for the first time in forty years. We provide dental care to low income children living in underserved communities who are more than TWICE as likely to have cavities or dental decay as are children whose families can afford private dental insurance. Unfortunately, they are far less likely to have the means or access to necessary dental treatment. In addition to the significant health concerns of poor oral healthcare, this gross disparity results in additional missed school days for these children and lost time at work for their parents. Illustrative of this growing problem, only 58% of all Texas children on Medicaid visited a dentist in 2010.

Given these staggering statistics, the State of Texas has rightfully responded to this health crisis by taking steps to improve access for this underserved population. Responding to the great need, a new business model has emerged in dentistry: the multi-state group practice supported by a dental service organization ("DSO"). Kool Smiles is an example of this innovative model. At Kool Smiles, all dental offices are owned by dentists, and all clinical and patient treatment decisions are made by the treating dentists. However, we are supported by NCDR, LLC, a practice management company that handles non-clinical administrative functions and provides critical business and managerial support like human resources, facilities support, purchasing and electronic health records.

As a dentist, I appreciate the DSO support model as this structure frees me to focus on what I do best – providing high quality dental care to my patients and spending more time with them. NCDR provides the business expertise to manage the day-to-day operations of the offices by harnessing efficiencies, economies of scale, technology, and a deep understanding of the patient population to ensure a sustainable model. Although this business model is relatively new to dentistry, it has been in existence for many years in other areas of healthcare and has proven to be effective in helping to deliver necessary care more efficiently and at a lower average cost than that provided by traditional solo or small group practices. Most important, it allows us to treat these patients that most dental practices do not accept, or accept in very limited quantities.

But to be clear, our business management teams focus on the logistical and administrative aspects of running the offices so that my colleagues and I can focus on taking care of our patients. All clinical decisions are made by dentists based on our independent medical judgment regarding how best to meet and address the individual patient's medical needs. Non-clinical leaders **DO NOT** interfere with the clinical decisions of the dentists. At Kool Smiles, ***the dentists make all dental diagnoses and treatment decisions. In my near four years with Kool Smiles, my colleagues and I have NEVER been told by a corporation or corporate entity how to treat our patients.*** Without that necessary separation between delivery of professional quality dental care and administrative support, the model would not work.

As I mentioned, I have been a licensed dentist in Texas for almost 30 years. I have practiced as an independent dentist and within a multistate group practice environment. But in all my years serving the dental needs of my fellow Texans in multiple practice disciplines, I can say unequivocally that Kool Smiles has the most comprehensive, state-of-the-art programs and protocols in place that monitor and help ensure compliance and quality of care. I lead an experienced and diversely skilled clinical leadership team that provides peer-to-peer mentorship as well as clinical guidance to our dentists. Our dentists thrive in our multi-group practice environment because they are supported by their peers in their clinical and diagnostic skills, technology skills, and communication skills.

Leadership dentists implement quality control over our dentists by performing a myriad of audits designed to ensure our dentists are providing medically necessary treatment and meeting appropriate quality of care standards. Our internal dental leadership and a team of external third party dental experts perform eight different types of clinical audits to measure and assess medical necessity and quality of care standards. We also have a robust compliance program supported by internal and external auditors who track adherence with required rules and regulations applicable to a dental practice. Based on my experience and knowledge of the industry, I can assure you that this level of compliance and auditing does not exist in any independent dental offices or any other multi-group practice with which I have been affiliated.

As noted earlier, Kool Smiles' focus is on the underserved population of children who are in most dire need of oral health care. Due to our structure, we are a great public-private partnership and are fiercely protective of the taxpayer dollar. Our commitment to improving the oral health of the communities we serve routinely lowers the amount of operative care needed for a patient the longer we are in a community. Over a four year period, a typical Kool Smiles patient's need for dental services decreases by 28%. I am particularly proud that 74% of our patients return for subsequent appointments which not only supports our very high patient satisfaction rate, but also demonstrates the effectiveness of oral health education efforts. Our commitment to preventative care also saves tax payer dollars by reducing the need for operative care when dental health is neglected. With this, comes reduced absenteeism for our school children and fewer hospital emergency room visits for non emergencies such as a toothache.

While I understand there has been quite a bit of press surrounding allegations of abuse involving some dental practices, I must emphasize that Kool Smiles condemns waste, fraud, and abuse in all forms. We are dismayed by the recent allegations of fraud against these providers and we are pleased to work with HHSC on policy changes designed to eliminate fraud while protecting access to quality dental care for underserved families. It would be a tragic mistake to jeopardize the great strides we have made to improve the oral health of thousands of Texas families because of the isolated acts of a very small number of dentists.

We also hope you will take particular note of the results of a recent in-depth study of 2011 Texas Medicaid claims paid data completed by economist Art Laffer regarding the benefits of the DSO business model. Among the most notable findings: dentists at DSO clinics billed Medicaid less per patient than other dentists for procedures such as tooth extractions, pulpotomies (removal of infected tooth pulp), and crowns. Further, the average cost per patient per year was \$345.45 at Kool Smiles practices and \$483.89 at DSO clinics, compared with \$711.54 for non-DSO offices.

In closing, I want to reiterate the critical importance of this service we and other committed dentists across Texas are providing. The average person would find it very difficult and shocking to comprehend a child having the level of decay I routinely see at Kool Smiles. While many of us in this room and our children may experience but a few cavities in our lifetime, the children I see – many of whom have not been to a dentist in years, if at all – often have been struggling with great pain and a mouthful of decay for many years. For most, poor diet and poor oral health education contribute significantly to the problem. For many others, the problem is often even more basic as many children do not even own a toothbrush or report that all members of their family share a single tooth brush. I can't emphasize enough the need for continued support of the Texas First Dental Home program, of which Kool Smiles is a proud participant, as well as maintaining a strong commitment to oral health education throughout the state. As with all areas of health care, the cost of preventative action is rewarded over and over in long-term savings, and most importantly, in the transformation of lives of the children that receive the quality care up front and that give them the potential for a healthy future.

As a dedicated dentist and advocate on behalf of children in underserved communities, I thank you for your consideration of my testimony. We have to keep children's oral health in the forefront as we discuss these issues. I look forward to working with you as we continue to fulfill our commitment to provide quality oral health opportunities to all Texas children and I am available at any time to provide you with the assistance you may need to accomplish this important goal.

Thank you.