



April 11, 2025

The Honorable Angelique Ashby
Chair, Senate Business, Professions and Economic Development
1021 O Street, Room 3320
Sacramento, CA 95814

Re: SB 351 (Cabaldon): Private Equity in Health Care – CO-SPONSER

Dear Chair Ashby:

The California Dental Association, representing 27,000 members throughout the state, is proud to co-sponsor SB 351 (Cabaldon), which addresses consolidation in the state's health care system and the growing role of private equity interests that may not be aligned with patient healthcare needs.

SB 351 strengthens California's Ban on the Corporate Practice of Medicine (Corporate Bar) by empowering the Attorney General to investigate and take action against private equity firms that unlawfully interfere in the patient-physician relationship. The Corporate Bar was established to protect patients from excessive healthcare costs and prevent commercial exploitation that can arise when clinical decisions are influenced by corporate interests seeking to maximize profits.

This bill strengthens the existing ban on the corporate practice of dentistry and medicine by explicitly barring the specific ways private equity groups or hedge funds are influencing the clinical decisions of dentists and physicians. Under existing law, licensed dental professionals and dental corporations are subject to strict professional and ethical standards to ensure patient care remains in the hands of qualified practitioners. However, existing laws do not explicitly regulate the increasing involvement of private equity and hedge funds in dental practices. As a result, these entities can exert controls that allow corporate interests to influence clinical decision-making.

SB 351 prohibits, for example, patient quotas, limits on time spent with patients, and interference in treatment plans, referrals and selections of equipment or diagnostic tests. By unambiguously prohibiting controls over clinical decision-making, the bill provides regulators and dental practices with the necessary clarity to maintain professional integrity in dentistry. SB 351 fully preserves the ability to purchase or sell dental or other health

care practices, while ensuring patient needs and dentists' clinical judgment come first and that private equity interests are not influencing decisions about health care in pursuit of higher returns on investments.

For these reasons, **CDA is proud to co-sponsor SB 351 (Cabaldon) and respectfully requests your AYE vote in the Senate Business, Professions and Economic Development Committee.** If you have any questions, please contact Lawrence Gayden (lawrence.gayden@cda.org).

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence Gayden".

Lawrence Gayden
Legislative Advocate

cc: Members and staff, Senate Business, Professions and Economic Development
Senator Cabaldon