

A response from Concerned Dentists of Washington State to the September 27, 2011 “message to our members” from WDS.

The WDS letter that encloses the notice of special meeting makes several statements that call for a response.

**Alleged misleading statements.** WDS says “we noted that signatures were solicited on the basis of several misleading assertions.” Name one. We will meet with any representative of WDS, anytime, anyplace, and debate the accuracy of the recitals in the petition and the statements in the email that enclosed it. Every single statement is either clearly opinion (grounded in fact) or a verifiable fact.

**Antitrust concerns.** WDS devotes two paragraphs to the history of the Provider Compensation Committee, and the potential for the proposed bylaw changes to result in member control over price setting in violation of the antitrust laws. These are misleading scare tactics. The proposed changes neither seek to reverse the majority of Independent Directors on the board, nor the majority of Independent Directors on the Provider Compensation Committee. The suggested changes do not touch how the Provider Compensation Committee functions. Read the proposed changes carefully and see for yourself.

**Good governance.** WDS can talk all it wants about good governance and consultation with its members. The fact remains that under current WDS governance:

1. Member directors are nominated by a committee that is mainly comprised of non-members. Their hand-picked selection is submitted to members for an up or down vote. Member directors can only be removed by the board, not the members. The member role in the election of member directors is not participatory.
2. Member meetings are non-existent despite being required under current bylaws and state law. We invite WDS to produce minutes of its member meetings.
3. WDS ambushed its members with only two months’ notice of a major rate cut that had a huge impact on the livelihood of almost every dentist in the state. Dentists were not warned, or invited into a discussion about controlling costs or the future of the delivery of care. The cuts weren’t phased in to allow people time to plan.

WDS claims that there was no consultation with them, but they refused our overtures. One of our board members made several calls to several WDS board members that went unreturned. A member dentist we worked with asked some of the same questions we’re asking here, in particular the lack of membership meetings and the legality of the Independent Directors having veto power over the entire board. WDS responded that its governance was legal and appropriate and made no offer to change. He proposed that WDS call a special meeting but have a dialog between member dentists ahead of time in an effort to come to agreed recommendations for the special meeting. This request was also rejected. When he sought to invoke his membership right to inspect WDS corporate records, WDS imposed a gag order as a condition of producing the records, then rejected further records requests. All the talk from WDS about communication, transparency, and good governance is just that: talk. When pushed for action, WDS has refused any meaningful dialog with its members.