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Chief Clerk of the House

FILED MAR 13 2003

By: Warren Chisum

H.B. No. 2632

A BILL TO BE ENTITLED

AN ACT

relating to the Office of Rural Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001, Government Code, is amended by adding Subdivisions (3)-(7) to read as follows:

(3) "Rural community" means a community in a rural area of this state as defined by the office.

(4) "Health care professional" means a person who holds a license or other grant of authority issued by the state to practice in a health care profession, including veterinary medicine or other health care professions identified by office rule.

(5) "Physician" means a person licensed to practice medicine in this state under Chapter 155, Occupations Code.

(6) "Hospital" means a public or private, general or special hospital licensed under Chapter 241, Health and Safety Code.

(7) "Medical school" has the meaning assigned by Section 61.501, Education Code.

SECTION 2. Section 487.051, Government Code, is amended to read as follows:

Sec. 487.051. POWERS AND DUTIES. The office shall:

(1) develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected

and appointed officials with interests in rural communities;

(2) work with other state agencies and officials to improve the results and the cost-effectiveness of state programs affecting rural communities through coordination of efforts;

(3) develop programs to improve the leadership capacity of rural community leaders;

(4) monitor developments that have a substantial effect on rural Texas communities, especially actions of state government, and compile an annual report describing and evaluating the condition of rural communities;

(5) administer the federal community development block grant nonentitlement program;

(6) administer programs supporting rural health care as provided by this chapter [~~Subchapters D-H~~];

(7) perform research to determine the most beneficial and cost-effective ways to improve the welfare of rural communities;

(8) ensure that the office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r; [~~and~~]

(9) manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4;

(10) establish and administer, or contract for the administration of, the programs in this chapter;

(11) adopt rules and set priorities for programs under this chapter;

(12) make awards under programs governed by this chapter on a priority basis according to rules adopted by the office in any year available money is inadequate to provide grants, stipends, loans, and loan guarantees to all eligible applicants for the programs;

(13) enter into, enforce, and execute contracts and deliver conveyances and other instruments necessary to make and administer grants, stipends, loans, and loan guarantees under this chapter;

(14) impose and collect reasonable fees and charges in connection with grants, stipends, loans, and loan guarantees made under this chapter and enforce reasonable penalties against a user of a program who defaults on a loan, is delinquent in making loan payments, or violates the terms of the program;

(15) deposit any amounts recovered for programs under this chapter back into the fund from which the award money originates;

(16) employ personnel and counsel necessary to implement the programs under this chapter; and

(17) seek state and federal money available for economic development in rural areas for programs under this chapter.

SECTION 3. Section 487.053, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The expenditure of a gift, grant, donation, or other contribution is subject to any limitation or requirement placed by the person making the gift, grant, or donation.

SECTION 4. Section 106.026(b), Health and Safety Code, as added by Section 2, Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Section 487.056(b), Government Code, and Section 487.056, Government Code, is amended to read as follows:

Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than January 1 of each odd-numbered year, the office shall submit a biennial report to the legislature regarding the activities of the office, the activities of the Rural Foundation, and any findings and recommendations relating to rural issues.

(b) The office [~~center~~] shall obtain information from each county about indigent health care provided in the county and information from each university, medical school, rural community, or rural health care provider that has performed a study relating to rural health care during the biennium. The office [~~center~~] shall include the information obtained under this subsection in the office's [~~center's~~] report to the legislature.

SECTION 5. Section 487.102, Government Code, is amended to read as follows:

Sec. 487.102. PURPOSE; ADMINISTRATION. (a) The purpose of the program is to encourage rural communities to recognize and financially support students at institutions of higher education who:

(1) pursue a degree in a health care profession; and

(2) agree to practice health care in a rural community.

(b) The office shall administer or contract for the

administration of the program.

(c) The financial assistance provided under the program includes awarding forgivable loans.

SECTION 6. Section 487.104(a), Government Code, is amended to read as follows:

[~~(a)~~] The office [~~selection committee~~] shall select outstanding rural scholars through a statewide competition according to office rule.

SECTION 7. Section 487.105(a), Government Code, is amended to read as follows:

[~~(a)~~] To be eligible to participate in the competition under Section 487.104, an applicant [~~a high school student or an undergraduate student at a postsecondary educational institution~~] must:

(1) be nominated and sponsored by a rural community, whose [~~which~~] sponsorship must include financial support; and

(2) be a Texas resident under Subchapter B, Chapter 54, Education Code[~~;~~

[~~(3) if the person is a high school student, be in the upper 25 percent of the student's high school class, if the class contains 48 or more students, and intend to enter a postsecondary educational institution; and~~

[~~(4) if the person is an undergraduate student, be in the upper 25 percent of the student's class or have a cumulative grade average that is equal to or greater than the equivalent of a 3.0 on a 4.0 scale and be enrolled in a postsecondary educational institution~~].

SECTION 8. Section 487.107(c), Government Code, is amended to read as follows:

[~~(c)~~] If in any year the fund is inadequate to provide loans to all eligible applicants, the executive committee shall award forgivable loans on a priority basis [~~according to the applicants' academic performance, test scores, and other criteria of eligibility~~].

SECTION 9. Section 487.108(b), Government Code, is amended to read as follows:

[~~(b)~~] An outstanding rural scholar may receive another grant, loan, or scholarship for which the scholar is eligible in addition to the receipt of a forgivable loan, provided [~~except~~] that the total amount of funds received does [~~may~~] not exceed the reasonable needs of the scholar.

SECTION 10. The heading for Subchapter F, Chapter 487, Government Code, is amended to read as follows:

SUBCHAPTER F. RURAL [~~MEDICALLY UNDERSERVED~~] COMMUNITY-STATE MATCHING INCENTIVE PROGRAM

SECTION 11. Section 487.201, Government Code, is amended by amending Subdivisions (2) and (4) to read as follows:

(2) "Program [~~Physician~~]" means the rural community matching incentive program [~~a person licensed to practice medicine in this state~~].

(4) "Start-up money" means a payment made by a medically underserved rural community for reasonable costs incurred by a physician to be matched by the office to establish a medical office and ancillary facilities for diagnosing and treating

patients.

SECTION 12. Section 487.202(a), (c), and (e), Government Code, are amended to read as follows:

(a) The office [~~executive committee~~] shall establish and administer a program under this subchapter to increase the number of physicians providing primary care in rural [~~medically underserved~~] communities.

(c) A participating rural [~~medically underserved~~] community may provide start-up money to an eligible physician over a two-year period.

(e) The office [~~executive committee~~] shall establish priorities so that the neediest rural communities eligible for assistance under this subchapter are assured the receipt of a grant.

SECTION 13. Section 487.203, Government Code, is amended to read as follows:

Sec. 487.203. ELIGIBILITY. To be eligible to receive money from the office [~~executive committee~~], a rural [~~medically underserved~~] community must [~~:~~

[~~(1) apply for the money; and~~

[~~(2)~~] provide evidence satisfactory to the office [~~executive committee~~] that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

SECTION 14. Section 487.204, Government Code, is amended to read as follows:

Sec. 487.204. RULES. The executive committee shall adopt

rules necessary for the administration of this subchapter, including rules requiring a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community [~~addressing:~~

[~~(1) eligibility criteria for a medically underserved community;~~

[~~(2) eligibility criteria for a physician;~~

[~~(3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;~~

[~~(4) conditions under which state money must be repaid by a community or physician;~~

[~~(5) procedures for disbursement of money by the executive committee;~~

[~~(6) the form and manner in which a community must make its contribution to the start-up money; and~~

[~~(7) the contents of an agreement to be entered into by the parties, which must include at least:~~

[~~(A) a credit check for an eligible physician; and~~

[~~(B) community retention of interest in any property, equipment, or durable goods for seven years~~].

SECTION 15. Section 487.251, Government Code, is amended by adding Subdivision (3) to read as follows:

(3) "Program" means the Texas health service corps program.

SECTION 16. Section 487.252(a), Government Code, is amended to read as follows:

[~~(a)~~] The executive committee shall establish a program in the office to assist communities in recruiting and retaining primary care physicians to practice in rural [~~medically underserved~~] areas in the state.

SECTION 17. Section 487.254(a), Government Code, is amended to read as follows:

[~~(a)~~] The office may award a stipend to a physician under this subchapter if the physician enters into a written contract to provide services in a rural [~~medically underserved~~] area for at least one year for each year that the physician receives the stipend.

SECTION 18. Section 487.302, Government Code, is amended to read as follows:

Sec. 487.302. POWERS OF OFFICE. The [~~In administering this subchapter, the~~] office may:

(1) [~~enter into and enforce contracts and execute and deliver conveyances and other instruments necessary to make and administer grants, loans, and loan guarantees under this subchapter;~~

[~~(2) employ personnel and counsel necessary to implement this subchapter and pay them from money appropriated for that purpose;~~

[~~(3) impose and collect reasonable fees and charges in connection with grants, loans, and loan guarantees made under this subchapter and provide reasonable penalties for delinquent payment of fees, charges, or loan repayments;~~

[~~(4)~~] take and enforce a mortgage or appropriate

security interest in real or personal property that a loan recipient acquires with the proceeds of a loan made under this subchapter; and

(2) [~~(5)~~] adopt rules necessary to implement the grant, loan, and loan guarantee program.

SECTION 19. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 1, Chapter 831, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter K, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS

Sec. 487.451 [~~106.251~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program"[~~:~~

[~~(1) "Health care professional" means:~~

[~~(A) an advanced nurse practitioner;~~

[~~(B) a dentist;~~

[~~(C) a dental hygienist;~~

[~~(D) a laboratory technician;~~

[~~(E) a licensed vocational nurse;~~

[~~(F) a licensed professional counselor;~~

[~~(G) a medical radiological technologist;~~

[~~(H) an occupational therapist;~~

[~~(I) a pharmacist;~~

[~~(J) a physical therapist;~~

[~~(K) a physician;~~

[~~(L) a physician assistant;~~

[~~(M) a psychologist;~~

[~~(N) a registered nurse;~~

[~~(O) a social worker;~~

[~~(P) a speech-language pathologist;~~

[~~(Q) a veterinarian;~~

[~~(R) a chiropractor; and~~

[~~(S) another appropriate health care professional identified by the executive committee.~~

[~~(2) "Program"~~] means the community healthcare awareness and mentoring program for students established under this subchapter.

[~~(3) "Underserved urban area" means an urban area of this state with a medically underserved population, as determined in accordance with criteria adopted by the board by rule, considering relevant demographic, geographic, and environmental factors.~~]

Sec. 487.452 [~~106.252~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS. [~~(a)~~] The executive committee shall establish a community healthcare awareness and mentoring program for students [~~to:~~

[~~(1) identify high school students in rural and underserved urban areas who are interested in serving those areas as health care professionals;~~

[~~(2) identify health care professionals in rural and underserved urban areas to act as positive role models, mentors, or reference resources for the interested high school students;~~

[~~(3) introduce interested high school students to the spectrum of professional health care careers through activities~~

~~such as health care camps and shadowing of health care professionals;~~

[~~(4) encourage a continued interest in service as health care professionals in rural and underserved urban areas by providing mentors and community resources for students participating in training or educational programs to become health care professionals; and~~

[~~(5) provide continuing community-based support for students during the period the students are attending training or educational programs to become health care professionals, including summer job opportunities and opportunities to mentor high school students in the community.~~

[~~(b) In connection with the program, the center shall establish and maintain an updated medical resource library that contains information relating to medical careers. The center shall make the library available to school counselors, students, and parents of students~~].

Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office [~~center~~] shall administer or contract for the administration of the program.

(b) [~~The center may solicit and accept gifts, grants, donations, and contributions to support the program.~~

[~~(c)~~] The office [~~center~~] may administer the program in cooperation with other public and private entities.

(c) [~~(d)~~] The office [~~center~~] shall coordinate the program with similar programs, including programs relating to workforce development, scholarships for education, and employment of

students, that are administered by other agencies, such as the Texas Workforce Commission and local workforce development boards.

Sec. 487.454 [~~106.254~~]. GRANTS; ELIGIBILITY. (a) Subject to available funds, the executive committee shall develop and implement, as a component of the program, a grant program to support employment opportunities in rural [~~and underserved urban~~] areas in this state for students participating in training or educational programs to become health care professionals.

(b) In awarding grants under the program, the executive committee shall give first priority to grants to training or educational programs that provide internships or preceptorships to students.

(c) [~~To be eligible to receive a grant under the grant program, a person must:~~

[~~(1) apply for the grant on a form adopted by the executive committee;~~

[~~(2) be enrolled or intend to be enrolled in a training or educational program to become a health care professional;~~

[~~(3) commit to practice or work, after licensure as a health care professional, for at least one year as a health care professional in a rural or underserved urban area in this state; and~~

[~~(4) comply fully with any practice or requirements associated with any scholarship, loan, or other similar benefit received by the student.~~

[~~(d)~~] As a condition of receiving a grant under the program the student must agree to repay the amount of the grant, plus a penalty in an amount established by rule of the executive committee

[~~not to exceed two times the amount of the grant~~], if the student becomes licensed as a health care professional and fails to practice or work for at least one year as a health care professional in a rural [~~or underserved urban~~] area in this state.

SECTION 20. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 1, Chapter 1112, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter L, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER L [~~H~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM

Sec. 487.501 [~~106.251~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program" means the rural physician recruitment program[~~:~~

[~~(1) "Rural community" means a rural area as defined by the center.~~

[~~(2) "Medical school" has the meaning assigned by Section 61.501, Education Code~~].

[~~Sec. 106.252. GIFTS AND GRANTS. The center may accept gifts, grants, and donations to support the rural physician recruitment program.~~]

Sec. 487.502 [~~106.253~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM. (a) The office [~~center~~] shall establish a process in consultation with the Texas Higher Education Coordinating Board for selecting a Texas medical school to recruit students from rural communities and encourage them to return to rural communities to practice medicine.

(b) The Texas medical school selected by the office [~~center~~] shall:

(1) encourage high school and college students from rural communities to pursue a career in medicine;

(2) develop a screening process to identify rural students most likely to pursue a career in medicine;

(3) establish a rural medicine curriculum;

(4) establish a mentoring program for rural students;

(5) provide rural students with information about financial aid resources available for postsecondary education; and

(6) establish a rural practice incentive program.

SECTION 21. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 2, Chapter 435, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter M, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER M [~~H~~]. RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM

Sec. 487.551 [~~106.301~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program" means the rural communities health care investment program[~~:~~

[~~(1) "Health professional" means a person other than a physician who holds a license, certificate, registration, permit, or other form of authorization required by law or a state agency rule that must be obtained by an individual to practice in a health care profession~~].

[~~(2) "Medically underserved community" means a community that:~~

[~~(A) is located in a county with a population of 50,000 or less;~~

[~~(B) has been designated under state or federal~~

~~law as:~~

[~~(i) a health professional shortage area, or~~

[~~(ii) a medically underserved area; or~~

[~~(C) has been designated as a medically underserved community by the center.~~

[~~Sec. 106.302. ADVISORY PANEL. The center shall appoint an advisory panel to assist in the center's duties under this subchapter. The advisory panel must consist of at least:~~

[~~(1) one representative from the Texas Higher Education Coordinating Board;~~

[~~(2) one representative from the institutions of higher education having degree programs for the health professions participating in the programs under this subchapter;~~

[~~(3) one representative from a hospital in a medically underserved community;~~

[~~(4) one physician practicing in a medically underserved community;~~

[~~(5) one health professional, other than a physician, practicing in a medically underserved community; and~~

[~~(6) one public representative who resides in a medically underserved community~~].

Sec. 487.552 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The executive committee shall establish a program in the office [~~center~~] to assist communities in recruiting health professionals to practice in rural [~~medically underserved~~] communities by providing loan reimbursement for health professionals who serve in

those communities.

Sec. 487.553 [~~106.304~~]. STIPEND PROGRAM. [~~(a)~~] The executive committee shall establish a program in the office [~~center~~] to assist communities in recruiting health professionals to practice in rural [~~medically underserved~~] communities by providing a stipend to health professionals who agree to serve in those communities.

[~~(b) A stipend awarded under this section shall be paid in periodic installments.~~

[~~(c) A health professional who participates in the program established under this section must establish an office and residency in the medically underserved area before receiving any portion of the stipend.~~]

Sec. 487.554 [~~106.305~~]. CONTRACT REQUIRED. (a) A health professional may receive assistance under this subchapter only if the health professional signs a contract agreeing to provide health care services in a rural [~~medically underserved~~] community.

(b) [~~A student in a degree program preparing to become a health professional may contract with the center for the loan reimbursement program under Section 106.303 before obtaining the license required to become a health professional.~~

[~~(c) The center may contract with a health professional for part-time services under the stipend program established under Section 106.304.~~

[~~(d)~~] A health professional who participates in any loan reimbursement program is not eligible for a stipend under Section 487.553 [~~106.304~~].

(c) [~~(e)~~] A contract under this section must provide that a health professional who does not provide the required services to the community or provides those services for less than the required time is personally liable to the state for[~~:~~

[~~(1) the total amount of assistance the health professional received from the center and the medically underserved community;~~

[~~(2) interest on the amount under Subdivision (1) at a rate set by the executive committee;~~

[~~(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees; and~~

[~~(4)~~] a penalty as established by the executive committee by rule to help ensure compliance with the contract.

(d) Money [~~(f) Amounts~~] recovered under Subsection (c) [~~(e)~~] shall be deposited in the permanent endowment fund for the rural communities health care investment program under Section 487.556 [~~106.308~~].

Sec. 487.555 [~~106.306~~]. POWERS AND DUTIES OF OFFICE [~~CENTER~~]. [~~(a)~~] The executive committee shall adopt rules necessary for the administration of this subchapter[~~, including guidelines for:~~

[~~(1) developing contracts under which loan reimbursement or stipend recipients provide services to qualifying communities;~~

[~~(2) identifying the duties of the state, state agency, loan reimbursement or stipend recipient, and medically underserved community under the loan reimbursement or stipend~~

~~contract;~~

[~~(3) determining a rate of interest to be charged under Section 106.305(e)(2);~~

[~~(4) ensuring that a loan reimbursement or stipend recipient provides access to health services to participants in government-funded health benefits programs in qualifying communities;~~

[~~(5) encouraging the use of telecommunications or telemedicine, as appropriate;~~

[~~(6) prioritizing the provision of loan reimbursements and stipends to health professionals who are not eligible for any other state loan forgiveness, loan repayment, or stipend program;~~

[~~(7) prioritizing the provision of loan reimbursements and stipends to health professionals who are graduates of health professional degree programs in this state;~~

[~~(8) encouraging a medically underserved community served by a loan reimbursement or stipend recipient to contribute to the cost of the loan reimbursement or stipend when making a contribution is feasible; and~~

[~~(9) requiring a medically underserved community served by a loan reimbursement or stipend recipient to assist the center in contracting with the loan reimbursement or stipend recipient who will serve that community~~].

[~~(b) The executive committee by rule may designate areas of the state as medically underserved communities.~~

[~~(c) The executive committee shall make reasonable efforts~~

~~to contract with health professionals from a variety of different health professions.~~

[~~Sec. 106.307. USE OF TELECOMMUNICATION AND TELEMEDICINE. A health professional who participates in a program under this subchapter may not use telecommunication technology, including telemedicine, as the sole or primary method of providing services and may not use telecommunication technology as a substitute for providing health care services in person. A health professional who participates in a program under this subchapter may use telecommunication technology only to supplement or enhance the health care services provided by the health professional.~~]

Sec. 487.556 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The permanent endowment fund for the rural communities health care investment program is a special fund in the treasury outside the general revenue fund.

(b) The fund is composed of:

(1) money transferred to the fund at the direction of the legislature;

(2) gifts and grants contributed to the fund;

(3) the returns received from investment of money in the fund; and

(4) money [~~amounts~~] recovered under Section 487.554(c) [~~106.305(e)~~].

Sec. 487.557 [~~106.309~~]. ADMINISTRATION AND USE OF FUND. (a) The office [~~center~~] may administer the permanent endowment fund for the rural communities health care investment program. If the office [~~center~~] elects not to administer the fund, the

comptroller shall administer the fund.

(b) The administrator of the fund shall invest the fund in a manner intended to preserve the purchasing power of the fund's assets and the fund's annual distributions. The administrator may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions the administrator considers appropriate, any kind of investment of the fund's assets that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(c) The comptroller or the office [~~center~~] may solicit and accept gifts and grants to the fund.

(d) Annual distributions for the fund shall be determined by the investment and distribution policy adopted by the administrator of the fund for the fund's assets.

(e) Except as provided by Subsection (f), money in the fund may not be used for any purpose.

(f) The amount available for distribution from the fund, including any gift or grant, may be appropriated only for providing stipends and loan reimbursement under the programs authorized by this subchapter and to pay the expenses of managing the fund. The expenditure of a gift or grant is subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

(g) Sections 403.095 and 404.071, Government Code, do not

apply to the fund. Section 404.094(d), Government Code, applies to the fund.

[~~Sec. 106.310. REPORTING REQUIREMENT. The center shall provide a report on the permanent endowment fund for the rural communities health care investment program to the Legislative Budget Board not later than November 1 of each year. The report must include the total amount of money the center received from the fund, the purpose for which the money was used, and any additional information that may be requested by the Legislative Budget Board.~~]

SECTION 22. Section 38.011(j), Education Code, as added by Section 1, Chapter 1418, Acts of the 76th Legislature, Regular Session, 1999, as amended by Section 4, Chapter 1424, Acts of the 77th Legislature, Regular Session, 2001, and as amended and redesignated as Section 38.060(a), Education Code, by Section 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session, 2001, is reenacted to read as follows:

(a) This section applies only to a school-based health center serving an area that:

(1) is located in a county with a population not greater than 50,000; or

(2) has been designated under state or federal law as:

(A) a health professional shortage area;

(B) a medically underserved area; or

(C) a medically underserved community by the Office of Rural Community Affairs.

SECTION 23. Section 51.949(b), Education Code, as added by Chapter 1293, Acts of the 77th Legislature, Regular Session, 2001,

is amended to read as follows:

[~~(b)~~] On receipt of an application from a foreign applicant for the expedited processing of a license under Section 155.1025(a)(2), Occupations Code, the Texas Department of Health shall request the United States Department of State to recommend the waiver of 8 U.S.C. Section 1182(e) under exceptions provided by 8 U.S.C. Section 1184(l) for [~~not more than 20~~] qualified alien physicians [~~each year~~] who agree, beginning not later than the 90th day after the date of approval of the waiver and continuing for at least three years, to:

(1) accept employment with an entity:

(A) located in a rural community, as determined by the Office of Rural Community Affairs or in a medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services[~~, within an eligible area~~]; or [~~and~~]

(B) affiliated with or participating in a public university-sponsored graduate medical education program under which employment the physician:

(i) serves [~~,(2) serve~~] on the faculty of the public university-sponsored graduate medical education program; and

(ii) engages [~~(3) engage~~] in the practice of medicine and teaching in a specialty field of medicine that is necessary to obtain or maintain the accreditation of the public university-sponsored graduate medical education program by the Accreditation Council for Graduate Medical Education; or [~~and~~]

(2) [~~(4)~~] join a medical practice located in a medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services, within an eligible area.

SECTION 24. Section 61.0899, Education Code, is amended to read as follows:

Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in cooperation with the Office of Rural Community Affairs [~~Center for Rural Health Initiatives and the center's advisory panel established under Section 106.302, Health and Safety Code~~], ensure that the board seeks to obtain the maximum amount of funds from any source, including federal funds, to support programs to provide student loan reimbursement or stipends for graduates of degree programs in this state who practice or agree to practice in a rural [~~medically underserved~~] community.

SECTION 25. Section 110.001, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall establish the Rural Foundation as a nonprofit corporation that complies with the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as otherwise provided by this chapter, and qualifies as an organization exempt from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

(b) The Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall ensure that the Rural Foundation operates independently of any state agency or political subdivision of the state.

SECTION 26. Section 110.002(c), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(c) The Rural Foundation shall develop and implement policies and procedures that clearly separate the responsibilities and activities of the foundation from the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 27. Section 110.003(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(a) The Rural Foundation is governed by a board of five directors appointed by the executive committee of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] from individuals recommended by the executive director of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 28. Section 110.005(c), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(c) If the executive director of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the board of directors of the Rural Foundation of the potential ground. The

presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the board of directors, who shall then notify the governor and the attorney general that a potential ground for removal exists.

SECTION 29. Section 110.010, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural Foundation and the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall enter into a memorandum of understanding that:

(1) requires the board of directors and staff of the foundation to report to the executive director and executive committee of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~];

(2) allows the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] to provide staff functions to the foundation;

(3) allows the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] to expend funds on the foundation; and

(4) outlines the financial contributions to be made to the foundation from funds obtained from grants and other sources.

SECTION 30. Section 110.011(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular

Session, 2001, is amended to read as follows:

(a) The Rural Foundation shall maintain financial records and reports independently from those of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 31. Section 110.012, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 110.012. REPORT TO OFFICE OF RURAL COMMUNITY AFFAIRS [~~CENTER FOR RURAL HEALTH INITIATIVES~~]. Not later than the 60th day after the last day of the fiscal year, the Rural Foundation shall submit to the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] a report itemizing all income and expenditures and describing all activities of the foundation during the preceding fiscal year.

SECTION 32. Section 155.1025(a), Occupations Code, is amended to read as follows:

(a) The board shall adopt rules for expediting any application for a license under this subtitle made by a person who is licensed to practice medicine in another state or country and who submits an affidavit with the application stating that:

(1) the applicant intends to practice in a rural community, as determined by the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~]; or

(2) the applicant intends to:

(A) accept employment with an entity located in a medically underserved area or health professional shortage area, designated by the United States Department of Health and Human

Services, and affiliated with or participating in a public university-sponsored graduate medical education program;

(B) serve on the faculty of the public university-sponsored graduate medical education program; and

(C) engage in the practice of medicine and teaching in a specialty field of medicine that is necessary to obtain or maintain the accreditation of the public university-sponsored graduate medical education program by the Accreditation Council for Graduate Medical Education.

SECTION 33. The section heading for Section 204.104, Occupations Code, is amended to read as follows:

Sec. 204.104. RURAL PHYSICIAN ASSISTANT LOAN REPAYMENT [~~REIMBURSEMENT~~] PROGRAM.

SECTION 34. Section 204.104(a), Occupations Code, is amended to read as follows:

(a) A program shall be established to provide student loan repayment [~~reimbursement~~] for graduates of physician assistant training programs from any state who practice in rural [~~health professional shortage areas and medically underserved~~] areas in the state as defined by the Office of Rural Community Affairs [~~identified by the Texas Department of Health~~]. The physician assistant board shall fund the program by designating annually a portion of the revenue generated under this chapter from physician assistant licensing fees.

SECTION 35. Section 531.02172, Government Code, as amended by Chapters 661 and 959, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

Sec. 531.02172. TELEMEDICINE ADVISORY COMMITTEE. (a) The commissioner shall establish an advisory committee to assist the commission in:

(1) evaluating policies for telemedical consultations under Section 531.0217;

(2) evaluating policies for telemedicine medical services or telehealth services pilot programs established under Section 531.02171;

(3) ensuring the efficient and consistent development and use of telecommunication technology for telemedical consultations and telemedicine medical services or telehealth services reimbursed under government-funded health programs;

(4) monitoring the type of programs receiving reimbursement under Sections 531.0217 and 531.02171; and

(5) coordinating the activities of state agencies concerned with the use of telemedical consultations and telemedicine medical services or telehealth services.

(b) The advisory committee must include:

(1) representatives of health and human services agencies and other state agencies concerned with the use of telemedical consultations in the Medicaid program and the state child health plan program, including representatives of:

(A) the commission;

(B) the Texas Department of Health;

(C) the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~];

(D) the Telecommunications Infrastructure Fund

Board;

(E) the Texas Department of Insurance;

(F) the Texas State Board of Medical Examiners;

(G) the Board of Nurse Examiners; and

(H) the Texas State Board of Pharmacy;

(2) representatives of health science centers in this state;

(3) experts on telemedicine, telemedical consultation, and telemedicine medical services or telehealth services; and

(4) representatives of consumers of health services provided through telemedical consultations and telemedicine medical services or telehealth services.

(c) A member of the advisory committee serves at the will of the commissioner.

SECTION 36. The following sections are repealed:

(1) Sections 487.101(1), (3), and (5), Government Code;

(2) Section 487.103, Government Code;

(3) Sections 487.104(b), (c), (d), and (e), Government Code;

(4) Section 487.105(b), Government Code;

(5) Section 487.106, Government Code;

(6) Sections 487.107(a) and (b), Government Code;

(7) Section 487.108(a), Government Code;

(8) Sections 487.109(b) and (c), Government Code;

(9) Sections 487.110(c), (d), and (e), Government

Code;

(10) Section 487.111, Government Code;

(11) Subchapter E, Chapter 487, Government Code;

(12) Sections 487.201(1) and (3), Government Code;

(13) Sections 487.202(b) and (d), Government Code;

(14) Sections 487.251(1) and (2), Government Code;

(15) Section 487.252(b), Government Code;

(16) Section 487.253(b), Government Code;

(17) Section 487.254(b), Government Code;

(18) Section 487.255, Government Code;

(19) Section 487.256, Government Code;

(20) Section 487.301, Government Code;

(21) Section 51.949(a), Education Code, as added by Chapter 1293, Acts of the 77th Legislature, Regular Session, 2001;

(22) Section 106.025(a), Health and Safety Code, as amended by Section 1, Chapter 435, Acts of the 77th Legislature, Regular Session, 2001;

(23) Section 106.029, Health and Safety Code, as added by Section 1, Chapter 1113, Acts of the 77th Legislature, Regular Session, 2001; and

(24) Section 106.043(b), Health and Safety Code, as amended by Section 10, Chapter 874, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 37. This Act takes effect September 1, 2003.

HOUSE
COMMITTEE REPORT

1st Printing

By: Chisum H.B. No. 2632

Substitute the following for H.B. No. 2632:

By: Haggerty C.S.H.B. No. 2632

A BILL TO BE ENTITLED

AN ACT

relating to the Office of Rural Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001, Government Code, is amended by adding Subdivisions (3)-(7) to read as follows:

(3) "Rural community" means a community in a rural area of this state as defined by the office.

(4) "Health care professional" means a person who holds a license or other grant of authority issued by the state to practice in a health care profession, including veterinary medicine or other health care professions identified by office rule.

(5) "Physician" means a person licensed to practice medicine in this state under Chapter 155, Occupations Code.

(6) "Hospital" means a public or private, general or special hospital licensed under Chapter 241, Health and Safety Code.

(7) "Medical school" has the meaning assigned by Section 61.501, Education Code.

SECTION 2. Section 487.051, Government Code, is amended to read as follows:

Sec. 487.051. POWERS AND DUTIES. The office shall:

(1) develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected

and appointed officials with interests in rural communities;

(2) work with other state agencies and officials to improve the results and the cost-effectiveness of state programs affecting rural communities through coordination of efforts;

(3) develop programs to improve the leadership capacity of rural community leaders;

(4) monitor developments that have a substantial effect on rural Texas communities, especially actions of state government, and compile an annual report describing and evaluating the condition of rural communities;

(5) administer the federal community development block grant nonentitlement program;

(6) administer programs supporting rural health care as provided by this chapter [~~Subchapters D-H~~];

(7) perform research to determine the most beneficial and cost-effective ways to improve the welfare of rural communities;

(8) ensure that the office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r; [~~and~~]

(9) manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4;

(10) establish and administer, or contract for the administration of, the programs in this chapter;

(11) adopt rules and set priorities for programs under this chapter;

(12) make awards under programs governed by this chapter on a priority basis according to rules adopted by the office in any year available money is inadequate to provide grants, stipends, loans, and loan guarantees to all eligible applicants for the programs;

(13) enter into, enforce, and execute contracts and deliver conveyances and other instruments necessary to make and administer grants, stipends, loans, and loan guarantees under this chapter;

(14) impose and collect reasonable fees and charges in connection with grants, stipends, loans, and loan guarantees made under this chapter and enforce reasonable penalties against a user of a program who defaults on a loan, is delinquent in making loan payments, or violates the terms of the program;

(15) deposit any amounts recovered for programs under this chapter back into the fund from which the award money originates;

(16) employ personnel and counsel necessary to implement the programs under this chapter; and

(17) seek state and federal money available for economic development in rural areas for programs under this chapter.

SECTION 3. Section 487.053, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The expenditure of a gift, grant, donation, or other contribution is subject to any limitation or requirement placed by the person making the gift, grant, or donation.

SECTION 4. Section 106.026(b), Health and Safety Code, as added by Section 2, Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Section 487.056(b), Government Code, and Section 487.056, Government Code, is amended to read as follows:

Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than January 1 of each odd-numbered year, the office shall submit a biennial report to the legislature regarding the activities of the office, the activities of the Rural Foundation, and any findings and recommendations relating to rural issues.

(b) The office [~~center~~] shall obtain information from each county about indigent health care provided in the county and information from each university, medical school, rural community, or rural health care provider that has performed a study relating to rural health care during the biennium. The office [~~center~~] shall include the information obtained under this subsection in the office's [~~center's~~] report to the legislature.

SECTION 5. Section 487.102, Government Code, is amended to read as follows:

Sec. 487.102. PURPOSE; ADMINISTRATION. (a) The purpose of the program is to encourage rural communities to recognize and financially support students at institutions of higher education who:

(1) pursue a degree in a health care profession; and

(2) agree to practice health care in a rural community.

(b) The office shall administer or contract for the

administration of the program.

(c) The financial assistance provided under the program includes awarding forgivable loans.

SECTION 6. Section 487.104(a), Government Code, is amended to read as follows:

[~~(a)~~] The office [~~selection committee~~] shall select outstanding rural scholars through a statewide competition according to office rule.

SECTION 7. Section 487.105(a), Government Code, is amended to read as follows:

[~~(a)~~] To be eligible to participate in the competition under Section 487.104, an applicant [~~a high school student or an undergraduate student at a postsecondary educational institution~~] must:

(1) be nominated and sponsored by a rural community, whose [~~which~~] sponsorship must include financial support; and

(2) be a Texas resident under Subchapter B, Chapter 54, Education Code[~~;~~

[~~(3) if the person is a high school student, be in the upper 25 percent of the student's high school class, if the class contains 48 or more students, and intend to enter a postsecondary educational institution; and~~

[~~(4) if the person is an undergraduate student, be in the upper 25 percent of the student's class or have a cumulative grade average that is equal to or greater than the equivalent of a 3.0 on a 4.0 scale and be enrolled in a postsecondary educational institution~~].

SECTION 8. Section 487.107(c), Government Code, is amended to read as follows:

[~~(c)~~] If in any year the fund is inadequate to provide loans to all eligible applicants, the executive committee shall award forgivable loans on a priority basis [~~according to the applicants' academic performance, test scores, and other criteria of eligibility~~].

SECTION 9. Section 487.108(b), Government Code, is amended to read as follows:

[~~(b)~~] An outstanding rural scholar may receive another grant, loan, or scholarship for which the scholar is eligible in addition to the receipt of a forgivable loan, provided [~~except~~] that the total amount of funds received does [~~may~~] not exceed the reasonable needs of the scholar.

SECTION 10. The heading to Subchapter F, Chapter 487, Government Code, is amended to read as follows:

SUBCHAPTER F. RURAL [~~MEDICALLY UNDERSERVED~~] COMMUNITY-STATE MATCHING INCENTIVE PROGRAM

SECTION 11. Section 487.201, Government Code, is amended by amending Subdivisions (2) and (4) to read as follows:

(2) "Program [~~Physician~~]" means the rural community matching incentive program [~~a person licensed to practice medicine in this state~~].

(4) "Start-up money" means a payment made by a medically underserved rural community for reasonable costs incurred by a physician to be matched by the office to establish a medical office and ancillary facilities for diagnosing and treating

patients.

SECTION 12. Sections 487.202(a), (c), and (e), Government Code, are amended to read as follows:

(a) The office [~~executive committee~~] shall establish and administer a program under this subchapter to increase the number of physicians providing primary care in rural [~~medically underserved~~] communities.

(c) A participating rural [~~medically underserved~~] community may provide start-up money to an eligible physician over a two-year period.

(e) The office [~~executive committee~~] shall establish priorities so that the neediest rural communities eligible for assistance under this subchapter are assured the receipt of a grant.

SECTION 13. Section 487.203, Government Code, is amended to read as follows:

Sec. 487.203. ELIGIBILITY. To be eligible to receive money from the office [~~executive committee~~], a rural [~~medically underserved~~] community must[~~:~~

[~~(1) apply for the money; and~~

[~~(2)~~] provide evidence satisfactory to the office [~~executive committee~~] that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

SECTION 14. Section 487.204, Government Code, is amended to read as follows:

Sec. 487.204. RULES. The executive committee shall adopt

rules necessary for the administration of this subchapter, including rules requiring a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community [~~addressing:~~

[~~(1) eligibility criteria for a medically underserved community;~~

[~~(2) eligibility criteria for a physician;~~

[~~(3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;~~

[~~(4) conditions under which state money must be repaid by a community or physician;~~

[~~(5) procedures for disbursement of money by the executive committee;~~

[~~(6) the form and manner in which a community must make its contribution to the start-up money; and~~

[~~(7) the contents of an agreement to be entered into by the parties, which must include at least:~~

[~~(A) a credit check for an eligible physician; and~~

[~~(B) community retention of interest in any property, equipment, or durable goods for seven years~~].

SECTION 15. Section 487.251, Government Code, is amended by adding Subdivision (3) to read as follows:

(3) "Program" means the Texas health service corps program.

SECTION 16. Section 487.252(a), Government Code, is amended to read as follows:

[~~(a)~~] The executive committee shall establish a program in the office to assist communities in recruiting and retaining primary care physicians to practice in rural [~~medically underserved~~] areas in the state.

SECTION 17. Section 487.254(a), Government Code, is amended to read as follows:

[~~(a)~~] The office may award a stipend to a physician under this subchapter if the physician enters into a written contract to provide services in a rural [~~medically underserved~~] area for at least one year for each year that the physician receives the stipend.

SECTION 18. Section 487.302, Government Code, is amended to read as follows:

Sec. 487.302. POWERS OF OFFICE. The [~~In administering this subchapter, the~~] office may:

(1) [~~enter into and enforce contracts and execute and deliver conveyances and other instruments necessary to make and administer grants, loans, and loan guarantees under this subchapter;~~

[~~(2) employ personnel and counsel necessary to implement this subchapter and pay them from money appropriated for that purpose;~~

[~~(3) impose and collect reasonable fees and charges in connection with grants, loans, and loan guarantees made under this subchapter and provide reasonable penalties for delinquent payment of fees, charges, or loan repayments;~~

[~~(4)~~] take and enforce a mortgage or appropriate

security interest in real or personal property that a loan recipient acquires with the proceeds of a loan made under this subchapter; and

(2) [~~(5)~~] adopt rules necessary to implement the grant, loan, and loan guarantee program.

SECTION 19. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 1, Chapter 831, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter K, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS

Sec. 487.451 [~~106.251~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program"[~~:~~

[~~(1) "Health care professional" means:~~

[~~(A) an advanced nurse practitioner;~~

[~~(B) a dentist;~~

[~~(C) a dental hygienist;~~

[~~(D) a laboratory technician;~~

[~~(E) a licensed vocational nurse;~~

[~~(F) a licensed professional counselor;~~

[~~(G) a medical radiological technologist;~~

[~~(H) an occupational therapist;~~

[~~(I) a pharmacist;~~

[~~(J) a physical therapist;~~

[~~(K) a physician;~~

[~~(L) a physician assistant;~~

[~~(M) a psychologist;~~

[~~(N) a registered nurse;~~

[~~(O) a social worker;~~

[~~(P) a speech-language pathologist;~~

[~~(Q) a veterinarian;~~

[~~(R) a chiropractor; and~~

[~~(S) another appropriate health care professional identified by the executive committee.~~

[~~(2) "Program"~~] means the community healthcare awareness and mentoring program for students established under this subchapter.

[~~(3) "Underserved urban area" means an urban area of this state with a medically underserved population, as determined in accordance with criteria adopted by the board by rule, considering relevant demographic, geographic, and environmental factors.~~]

Sec. 487.452 [~~106.252~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING PROGRAM FOR STUDENTS. [~~(a)~~] The executive committee shall establish a community healthcare awareness and mentoring program for students [~~to:~~

[~~(1) identify high school students in rural and underserved urban areas who are interested in serving those areas as health care professionals;~~

[~~(2) identify health care professionals in rural and underserved urban areas to act as positive role models, mentors, or reference resources for the interested high school students;~~

[~~(3) introduce interested high school students to the spectrum of professional health care careers through activities~~

~~such as health care camps and shadowing of health care professionals,~~

[~~(4) encourage a continued interest in service as health care professionals in rural and underserved urban areas by providing mentors and community resources for students participating in training or educational programs to become health care professionals; and~~

[~~(5) provide continuing community-based support for students during the period the students are attending training or educational programs to become health care professionals, including summer job opportunities and opportunities to mentor high school students in the community.~~

[~~(b) In connection with the program, the center shall establish and maintain an updated medical resource library that contains information relating to medical careers. The center shall make the library available to school counselors, students, and parents of students~~].

Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office [~~center~~] shall administer or contract for the administration of the program.

(b) [~~The center may solicit and accept gifts, grants, donations, and contributions to support the program.~~

[~~(c)~~] The office [~~center~~] may administer the program in cooperation with other public and private entities.

(c) [~~(d)~~] The office [~~center~~] shall coordinate the program with similar programs, including programs relating to workforce development, scholarships for education, and employment of

students, that are administered by other agencies, such as the Texas Workforce Commission and local workforce development boards.

Sec. 487.454 [~~106.254~~]. GRANTS; ELIGIBILITY. (a) Subject to available funds, the executive committee shall develop and implement, as a component of the program, a grant program to support employment opportunities in rural [~~and underserved urban~~] areas in this state for students participating in training or educational programs to become health care professionals.

(b) In awarding grants under the program, the executive committee shall give first priority to grants to training or educational programs that provide internships or preceptorships to students.

(c) [~~To be eligible to receive a grant under the grant program, a person must:~~

[~~(1) apply for the grant on a form adopted by the executive committee;~~

[~~(2) be enrolled or intend to be enrolled in a training or educational program to become a health care professional;~~

[~~(3) commit to practice or work, after licensure as a health care professional, for at least one year as a health care professional in a rural or underserved urban area in this state; and~~

[~~(4) comply fully with any practice or requirements associated with any scholarship, loan, or other similar benefit received by the student.~~

[~~(d)~~] As a condition of receiving a grant under the program the student must agree to repay the amount of the grant, plus a penalty in an amount established by rule of the executive committee

[~~not to exceed two times the amount of the grant~~], if the student becomes licensed as a health care professional and fails to practice or work for at least one year as a health care professional in a rural [~~or underserved urban~~] area in this state.

SECTION 20. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 1, Chapter 1112, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter L, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER L [~~H~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM

Sec. 487.501 [~~106.251~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program" means the rural physician recruitment program[~~:~~

[~~(1) "Rural community" means a rural area as defined by the center.~~

[~~(2) "Medical school" has the meaning assigned by Section 61.501, Education Code~~].

[~~Sec. 106.252. GIFTS AND GRANTS. The center may accept gifts, grants, and donations to support the rural physician recruitment program.~~]

Sec. 487.502 [~~106.253~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM. (a) The office [~~center~~] shall establish a process in consultation with the Texas Higher Education Coordinating Board for selecting a Texas medical school to recruit students from rural communities and encourage them to return to rural communities to practice medicine.

(b) The Texas medical school selected by the office [~~center~~] shall:

(1) encourage high school and college students from rural communities to pursue a career in medicine;

(2) develop a screening process to identify rural students most likely to pursue a career in medicine;

(3) establish a rural medicine curriculum;

(4) establish a mentoring program for rural students;

(5) provide rural students with information about financial aid resources available for postsecondary education; and

(6) establish a rural practice incentive program.

SECTION 21. Subchapter H, Chapter 106, Health and Safety Code, as added by Section 2, Chapter 435, Acts of the 77th Legislature, Regular Session, 2001, is redesignated as Subchapter M, Chapter 487, Government Code, and amended to read as follows:

SUBCHAPTER M [~~H~~]. RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM

Sec. 487.551 [~~106.301~~]. DEFINITION [~~DEFINITIONS~~]. In this subchapter, "program" means the rural communities health care investment program[~~:~~

[~~(1) "Health professional" means a person other than a physician who holds a license, certificate, registration, permit, or other form of authorization required by law or a state agency rule that must be obtained by an individual to practice in a health care profession.~~

[~~(2) "Medically underserved community" means a community that:~~

[~~(A) is located in a county with a population of 50,000 or less;~~

[~~(B) has been designated under state or federal~~

~~law as:~~

[~~(i) a health professional shortage area, or~~

[~~(ii) a medically underserved area; or~~

[~~(C) has been designated as a medically underserved community by the center.~~

[~~Sec. 106.302. ADVISORY PANEL. The center shall appoint an advisory panel to assist in the center's duties under this subchapter. The advisory panel must consist of at least:~~

[~~(1) one representative from the Texas Higher Education Coordinating Board;~~

[~~(2) one representative from the institutions of higher education having degree programs for the health professions participating in the programs under this subchapter;~~

[~~(3) one representative from a hospital in a medically underserved community;~~

[~~(4) one physician practicing in a medically underserved community;~~

[~~(5) one health professional, other than a physician, practicing in a medically underserved community; and~~

[~~(6) one public representative who resides in a medically underserved community~~].

Sec. 487.552 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The executive committee shall establish a program in the office [~~center~~] to assist communities in recruiting health professionals to practice in rural [~~medically underserved~~] communities by providing loan reimbursement for health professionals who serve in

those communities.

Sec. 487.553 [~~106.304~~]. STIPEND PROGRAM. [~~(a)~~] The executive committee shall establish a program in the office [~~center~~] to assist communities in recruiting health professionals to practice in rural [~~medically underserved~~] communities by providing a stipend to health professionals who agree to serve in those communities.

[~~(b) A stipend awarded under this section shall be paid in periodic installments.~~

[~~(c) A health professional who participates in the program established under this section must establish an office and residency in the medically underserved area before receiving any portion of the stipend.~~]

Sec. 487.554 [~~106.305~~]. CONTRACT REQUIRED. (a) A health professional may receive assistance under this subchapter only if the health professional signs a contract agreeing to provide health care services in a rural [~~medically underserved~~] community.

(b) [~~A student in a degree program preparing to become a health professional may contract with the center for the loan reimbursement program under Section 106.303 before obtaining the license required to become a health professional.~~

[~~(c) The center may contract with a health professional for part-time services under the stipend program established under Section 106.304.~~

[~~(d)~~] A health professional who participates in any loan reimbursement program is not eligible for a stipend under Section 487.553 [~~106.304~~].

(c) [~~(e)~~] A contract under this section must provide that a health professional who does not provide the required services to the community or provides those services for less than the required time is personally liable to the state for[~~:~~

[~~(1) the total amount of assistance the health professional received from the center and the medically underserved community;~~

[~~(2) interest on the amount under Subdivision (1) at a rate set by the executive committee;~~

[~~(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees; and~~

[~~(4)~~] a penalty as established by the executive committee by rule to help ensure compliance with the contract.

(d) Money [~~(f) Amounts~~] recovered under Subsection (c) [~~(e)~~] shall be deposited in the permanent endowment fund for the rural communities health care investment program under Section 487.556 [~~106.308~~].

Sec. 487.555 [~~106.306~~]. POWERS AND DUTIES OF OFFICE [~~CENTER~~]. [~~(a)~~] The executive committee shall adopt rules necessary for the administration of this subchapter[~~, including guidelines for:~~

[~~(1) developing contracts under which loan reimbursement or stipend recipients provide services to qualifying communities;~~

[~~(2) identifying the duties of the state, state agency, loan reimbursement or stipend recipient, and medically underserved community under the loan reimbursement or stipend~~

~~contract;~~

[~~(3) determining a rate of interest to be charged under Section 106.305(e)(2);~~

[~~(4) ensuring that a loan reimbursement or stipend recipient provides access to health services to participants in government-funded health benefits programs in qualifying communities;~~

[~~(5) encouraging the use of telecommunications or telemedicine, as appropriate;~~

[~~(6) prioritizing the provision of loan reimbursements and stipends to health professionals who are not eligible for any other state loan forgiveness, loan repayment, or stipend program;~~

[~~(7) prioritizing the provision of loan reimbursements and stipends to health professionals who are graduates of health professional degree programs in this state;~~

[~~(8) encouraging a medically underserved community served by a loan reimbursement or stipend recipient to contribute to the cost of the loan reimbursement or stipend when making a contribution is feasible; and~~

[~~(9) requiring a medically underserved community served by a loan reimbursement or stipend recipient to assist the center in contracting with the loan reimbursement or stipend recipient who will serve that community~~].

[~~(b) The executive committee by rule may designate areas of the state as medically underserved communities.~~

[~~(c) The executive committee shall make reasonable efforts~~

~~to contract with health professionals from a variety of different health professions.~~

[~~Sec. 106.307. USE OF TELECOMMUNICATION AND TELEMEDICINE. A health professional who participates in a program under this subchapter may not use telecommunication technology, including telemedicine, as the sole or primary method of providing services and may not use telecommunication technology as a substitute for providing health care services in person. A health professional who participates in a program under this subchapter may use telecommunication technology only to supplement or enhance the health care services provided by the health professional.~~]

Sec. 487.556 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The permanent endowment fund for the rural communities health care investment program is a special fund in the treasury outside the general revenue fund.

(b) The fund is composed of:

(1) money transferred to the fund at the direction of the legislature;

(2) gifts and grants contributed to the fund;

(3) the returns received from investment of money in the fund; and

(4) money [~~amounts~~] recovered under Section 487.554(c) [~~106.305(c)~~].

Sec. 487.557 [~~106.309~~]. ADMINISTRATION AND USE OF FUND. (a) The office [~~center~~] may administer the permanent endowment fund for the rural communities health care investment program. If the office [~~center~~] elects not to administer the fund, the

comptroller shall administer the fund.

(b) The administrator of the fund shall invest the fund in a manner intended to preserve the purchasing power of the fund's assets and the fund's annual distributions. The administrator may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions the administrator considers appropriate, any kind of investment of the fund's assets that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(c) The comptroller or the office [~~center~~] may solicit and accept gifts and grants to the fund.

(d) Annual distributions for the fund shall be determined by the investment and distribution policy adopted by the administrator of the fund for the fund's assets.

(e) Except as provided by Subsection (f), money in the fund may not be used for any purpose.

(f) The amount available for distribution from the fund, including any gift or grant, may be appropriated only for providing stipends and loan reimbursement under the programs authorized by this subchapter and to pay the expenses of managing the fund. The expenditure of a gift or grant is subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

(g) Sections 403.095 and 404.071, Government Code, do not

apply to the fund. Section 404.094(d), Government Code, applies to the fund.

[~~Sec. 106.310. REPORTING REQUIREMENT. The center shall provide a report on the permanent endowment fund for the rural communities health care investment program to the Legislative Budget Board not later than November 1 of each year. The report must include the total amount of money the center received from the fund, the purpose for which the money was used, and any additional information that may be requested by the Legislative Budget Board.~~]

SECTION 22. Section 38.011(j), Education Code, as added by Section 1, Chapter 1418, Acts of the 76th Legislature, Regular Session, 1999, as amended by Section 4, Chapter 1424, Acts of the 77th Legislature, Regular Session, 2001, and as amended and redesignated as Section 38.060(a), Education Code, by Section 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session, 2001, is reenacted to read as follows:

(a) This section applies only to a school-based health center serving an area that:

(1) is located in a county with a population not greater than 50,000; or

(2) has been designated under state or federal law as:

(A) a health professional shortage area;

(B) a medically underserved area; or

(C) a medically underserved community by the Office of Rural Community Affairs.

SECTION 23. Section 61.0899, Education Code, is amended to read as follows:

Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in cooperation with the Office of Rural Community Affairs [~~Center for Rural Health Initiatives and the center's advisory panel established under Section 106.302, Health and Safety Code~~], ensure that the board seeks to obtain the maximum amount of funds from any source, including federal funds, to support programs to provide student loan reimbursement or stipends for graduates of degree programs in this state who practice or agree to practice in a rural [~~medically underserved~~] community.

SECTION 24. Section 110.001, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall establish the Rural Foundation as a nonprofit corporation that complies with the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as otherwise provided by this chapter, and qualifies as an organization exempt from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

(b) The Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall ensure that the Rural Foundation operates independently of any state agency or political subdivision of the state.

SECTION 25. Section 110.002(c), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular

Session, 2001, is amended to read as follows:

(c) The Rural Foundation shall develop and implement policies and procedures that clearly separate the responsibilities and activities of the foundation from the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 26. Section 110.003(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(a) The Rural Foundation is governed by a board of five directors appointed by the executive committee of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] from individuals recommended by the executive director of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 27. Section 110.005(c), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(c) If the executive director of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the board of directors of the Rural Foundation of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the board of directors, who shall then notify the governor and the attorney general that a potential ground for removal exists.

SECTION 28. Section 110.010, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural Foundation and the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall enter into a memorandum of understanding that:

(1) requires the board of directors and staff of the foundation to report to the executive director and executive committee of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~];

(2) allows the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] to provide staff functions to the foundation;

(3) allows the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] to expend funds on the foundation; and

(4) outlines the financial contributions to be made to the foundation from funds obtained from grants and other sources.

SECTION 29. Section 110.011(a), Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(a) The Rural Foundation shall maintain financial records and reports independently from those of the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~].

SECTION 30. Section 110.012, Health and Safety Code, as added by Chapter 1221, Acts of the 77th Legislature, Regular

Session, 2001, is amended to read as follows:

Sec. 110.012. REPORT TO OFFICE OF RURAL COMMUNITY AFFAIRS [~~CENTER FOR RURAL HEALTH INITIATIVES~~]. Not later than the 60th day after the last day of the fiscal year, the Rural Foundation shall submit to the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~] a report itemizing all income and expenditures and describing all activities of the foundation during the preceding fiscal year.

SECTION 31. The section heading to Section 204.104, Occupations Code, is amended to read as follows:

Sec. 204.104. RURAL PHYSICIAN ASSISTANT LOAN REPAYMENT [~~REIMBURSEMENT~~] PROGRAM.

SECTION 32. Section 204.104(a), Occupations Code, is amended to read as follows:

(a) A program shall be established to provide student loan repayment [~~reimbursement~~] for graduates of physician assistant training programs from any state who practice in rural [~~health professional shortage areas and medically underserved~~] areas in the state as defined by the Office of Rural Community Affairs [~~identified by the Texas Department of Health~~]. The physician assistant board shall fund the program by designating annually a portion of the revenue generated under this chapter from physician assistant licensing fees.

SECTION 33. Section 531.02172, Government Code, as amended by Chapters 661 and 959, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

Sec. 531.02172. TELEMEDICINE ADVISORY COMMITTEE. (a) The

commissioner shall establish an advisory committee to assist the commission in:

(1) evaluating policies for telemedical consultations under Section 531.0217;

(2) evaluating policies for telemedicine medical services or telehealth services pilot programs established under Section 531.02171;

(3) ensuring the efficient and consistent development and use of telecommunication technology for telemedical consultations and telemedicine medical services or telehealth services reimbursed under government-funded health programs;

(4) monitoring the type of programs receiving reimbursement under Sections 531.0217 and 531.02171; and

(5) coordinating the activities of state agencies concerned with the use of telemedical consultations and telemedicine medical services or telehealth services.

(b) The advisory committee must include:

(1) representatives of health and human services agencies and other state agencies concerned with the use of telemedical consultations in the Medicaid program and the state child health plan program, including representatives of:

(A) the commission;

(B) the Texas Department of Health;

(C) the Office of Rural Community Affairs [~~Center for Rural Health Initiatives~~];

(D) the Telecommunications Infrastructure Fund Board;

(E) the Texas Department of Insurance;

(F) the Texas State Board of Medical Examiners;

(G) the Board of Nurse Examiners; and

(H) the Texas State Board of Pharmacy;

(2) representatives of health science centers in this state;

(3) experts on telemedicine, telemedical consultation, and telemedicine medical services or telehealth services; and

(4) representatives of consumers of health services provided through telemedical consultations and telemedicine medical services or telehealth services.

(c) A member of the advisory committee serves at the will of the commissioner.

SECTION 34. The following sections are repealed:

(1) Sections 487.101(1), (3), and (5), Government Code;

(2) Section 487.103, Government Code;

(3) Sections 487.104(b), (c), (d), and (e), Government Code;

(4) Section 487.105(b), Government Code;

(5) Section 487.106, Government Code;

(6) Sections 487.107(a) and (b), Government Code;

(7) Section 487.108(a), Government Code;

(8) Sections 487.109(b) and (c), Government Code;

(9) Sections 487.110(c), (d), and (e), Government Code;

(10) Section 487.111, Government Code;

(11) Subchapter E, Chapter 487, Government Code;

(12) Sections 487.201(1) and (3), Government Code;

(13) Sections 487.202(b) and (d), Government Code;

(14) Sections 487.251(1) and (2), Government Code;

(15) Section 487.252(b), Government Code;

(16) Section 487.253(b), Government Code;

(17) Section 487.254(b), Government Code;

(18) Section 487.255, Government Code;

(19) Section 487.256, Government Code;

(20) Section 487.301, Government Code;

(21) Section 51.949(a), Education Code, as added by Chapter 1293, Acts of the 77th Legislature, Regular Session, 2001;

(22) Section 106.025(a), Health and Safety Code, as amended by Section 1, Chapter 435, Acts of the 77th Legislature, Regular Session, 2001;

(23) Section 106.029, Health and Safety Code, as added by Section 1, Chapter 1113, Acts of the 77th Legislature, Regular Session, 2001; and

(24) Section 106.043(b), Health and Safety Code, as amended by Section 10, Chapter 874, Acts of the 77th Legislature, Regular Session, 2001.

SECTION 35. This Act takes effect September 1, 2003.

COMMITTEE REPORT

The Honorable Tom Craddick
Speaker of the House of Representatives

04/23/2003
(date)

Sir:

We, your COMMITTEE ON LAND AND RESOURCE MANAGEMENT

to whom was referred HB 2632 have had the same under consideration and beg to report back with the recommendation that it

( ) do pass, without amendment.
( ) do pass, with amendment(s).
(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

(X) yes ( ) no A fiscal note was requested.

( ) yes (X) no A criminal justice policy impact statement was requested.

( ) yes (X) no An equalized educational funding impact statement was requested.

( ) yes (X) no An actuarial analysis was requested.

( ) yes (X) no A water development policy impact statement was requested.

( ) yes (X) no A tax equity note was requested.

( ) The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

Joint Sponsors: _____ / _____ / _____ / _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Mowery, Chair	✓			
Jones, J., Vice-chair				✓
Craddick				
Guillen	✓			
Haggerty	✓			
Hochberg				✓
Howard	✓			
Noriega				✓
Pickett	✓			

Total
5 aye
0 nay
0 present, not voting
3 absent

Anna Mowery
CHAIR

BILL ANALYSIS

C.S.H.B. 2632
By: Chisum
Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Office of Rural and Community Affairs (ORCA) was created in 2001 with the passage of H.B. 7. H.B. 7 required that "not later than December 1, 2002, the Office of Rural Community Affairs shall: (1) evaluate the rural health programs under its jurisdiction and propose changes, including statutory changes, to combine, streamline, or coordinate the programs to improve their flexibility and efficiency, and (2) report to the presiding officer of each house of the legislator any proposed statutory changes."

C.S.H.B. 2632 attempts to satisfy the requirements placed upon ORCA by the 77th Legislature.

RULEMAKING AUTHORITY

SECTION 2 of H.B. 2632 amends Section 487.051, Government Code, by adding Subsection 11 that requires ORCA to adopt rules and set priorities for programs under this chapter.

SECTION 14 of H.B. 2632 amends Section 487.204, Government Code, by requiring the executive committee to adopt rules necessary for the administration of the relevant subchapter, including rules requiring a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community.

ANALYSIS

SECTION 1. Amends Section 487.001, Government Code, as follows:

Defines "Rural community", "Health care professional", "Physician", "Hospital" and "Medical school".

SECTION 2. Amends Section 487.051, Government Code, as follows:

In addition to activities currently authorized by law, ORCA is authorized to do the following:

Establish, and administer, or contract for the administration of programs.

Adopt rules and set priorities for programs.

Make awards under programs when available money is inadequate to provide grants, stipends, loans and loan guarantees to all eligible applicants for the program.

Enter into, enforce, and execute contracts and deliver instruments necessary to make and administer grants, stipends, loans and loan guarantees.

Impose and collect reasonable fees and charges in connection with grants, stipends, loans and loan guarantees and enforce reasonable penalties against a user of a program who defaults on a loan, is

delinquent in making loan payments or violates the terms of the program.

Deposit amounts recovered for programs back into the fund from which the award money originates.

Employ personnel necessary to implement programs.

Seek state and federal money available for economic development in rural areas.

SECTION 3. Amends Section 487.053, Government Code, as follows:

Requires that any contribution is subject to any limitation or requirement placed by the person making the contribution.

SECTION 4. Amends Section 487.056(a) and (b), Government Code, as follows:

Requires ORCA to report to the legislature the activities of the Rural Foundation. Makes conforming changes.

SECTION 5. Amends Section 487.102, Government Code, as follows:

States the purpose of the Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care is as follows:

> Encourage rural communities to recognize and financially support students at institutions of higher education who pursue a degree in a health care profession and agree to practice health care in a rural community.

States that the financial assistance provided under this program includes awarding forgivable loans.

SECTION 6. Amends Section 487.104(a), Government Code, as follows:

States that the office shall select outstanding rural scholars through a statewide competition according to office rules.

SECTION 7. Amends Section 487.105(a), Government Code, as follows:

Modifies the criteria by which an applicant for the Outstanding Rural Scholar Recognition and Loan Program for Rural Health Care may be eligible. Deletes provisions requiring an applicant to be in the top quarter of his or her class.

SECTION 8. Amends Section 487.107(c), Government Code, as follows:

Deletes criteria used in making decisions regarding the award of forgivable loans (academic performance, test scores, etc.).

SECTION 9. Amends Section 487.108(b), Government Code, to make conforming changes.

SECTION 10. Amends the heading for Subchapter F, Chapter 487, Government Code as follows:

SUBCHAPTER F.: RURAL [~~MEDICALLY UNDERSERVED~~] COMMUNITY-STATE MATCHING INCENTIVE PROGRAM

SECTION 11. Amends Section 487.201, Government Code, to make conforming changes.

SECTION 12. Amends Section 487.202(a), (c), and (e), Government Code, to make conforming changes.

SECTION 13. Amends Section 487.203, Government Code, to make conforming changes

SECTION 14. Amends Section 487.204, Government Code, as follows:

Requires a physician to return any money received under the program if the physician fails to fulfill the term of the agreement with the community.

Eliminates some rules for the administration of the subchapter.

SECTION 15. Amends Section 487.251, Government Code, as follows:

Defines "program" as the Texas Health Service Corps Program

SECTION 16. Amends Section 487.252(a), Government Code, as follows:

Requires that the executive committee establish a program to assist in recruiting and retaining primary care physicians to practice in rural areas in the state.

SECTION 17. Amends Section 487.254 (a) to make conforming changes.

SECTION 18. Amends Section 487.302, Government Code, to make conforming changes (the deleted powers are inserted under SECTION 1 of the bill).

SECTION 19. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter K, Chapter 487, Government Code, as follows:

Generally provides for the administration of the Community Healthcare Awareness and Mentoring Program For Students.

Deletes legislative mandated purposes and eligibility requirements of the Community Healthcare Awareness and Mentoring Program For Students.

Deletes provisions providing for a program to grant money to underserved urban areas from support under this Section.

SECTION 20. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter L, Chapter 487, Government Code, as follows:

Generally provides for the administration of the Rural Physician Recruitment Program.

SECTION 21. Amends Subchapter H, Chapter 106, Health and Safety Code, by redesignating it as Subchapter M, Chapter 487, Government Code, as follows:

Generally provides for the administration of the Rural Communities Health Care Investment Program.

Deletes the advisory committee that previously was responsible for advising the center.

Deletes provisions providing for a program to help communities recruit health professionals to practice in underserved urban areas.

Deletes the legislative mandate that ORCA adopt specific rules for the administration of Rural Communities Health Care Investment Program.

Deletes a requirement that ORCA report on the permanent endowment fund for the rural communities health care investment program to the Legislative Budget Board.

SECTION 22. Reenacts Section 38.011(j), Education Code, and redesignates it as Section 38.060(a), Education Code.

SECTION 23. Amends Section 61.0899, Education Code, Code, to make conforming changes.

SECTION 24. Amends Section 110.001, Health and Safety Code, to make conforming changes.

SECTION 25. Amends Section 110.002(c), Health and Safety Code, to make conforming changes.

SECTION 26. Amends Section 110.003(a), Health and Safety Code, to make conforming changes.

SECTION 27. Amends Section 110.005(c), Health and Safety Code, to make conforming changes.

SECTION 28. Amends Section 110.010, Health and Safety Code, to make conforming changes.

SECTION 29. Amends Section 110.011(a), Health and Safety Code, to make conforming changes.

SECTION 30. Amends Section 110.012, Health and Safety Code, to make conforming changes.

SECTION 31. Amends the heading for Section 204.104, Occupations Code, to make conforming changes.

SECTION 32. Amends Section 204.104(a), Occupations Code, to empower ORCA, instead of the Texas Department of Health, to provide student loan repayment for graduates of physician assistant training programs in rural areas.

SECTION 33. Amends Section 531.021712, Government Code, to make conforming changes.

SECTION 34. Repealer.

SECTION 35. Effective date.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

SECTION 23 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 51.949(b), Education Code, to make conforming changes).

SECTION 32 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 155.1025(a), Occupations Code, to make conforming changes).

SECTION 33 of H.B. 2632 is removed from C.S.H.B. 2632 (amends Section 531.021712, Government Code, to make conforming changes).

SUMMARY OF COMMITTEE ACTION

HB 2632

April 23, 2003 8:00AM

Considered in public hearing
Testimony taken in committee (See attached witness list.)
Committee substitute considered in committee
Reported favorably as substituted

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WITNESS LIST

HB 2632
HOUSE COMMITTEE REPORT
Land & Resource Management Committee

April 23, 2003 - 8:00AM

On:	Easley, Mike (Office of Rural Community Affairs)
Registering, but not testifying:	
For:	Knaupe, Gregg (Texas Hospital Association)
On:	Berry, Connie (Texas Department of Health)

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 24, 2003

TO: Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB2632** by Chisum (Relating to the Office of Rural Community Affairs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Office of Rural Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 357 Office of Rural Community Affairs
LBB Staff: JK, CL, RT, DE

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

TO: Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2632 by Chisum (Relating to the Office of Rural Community Affairs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Office of Rural Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 357 Office of Rural Community Affairs
LBB Staff: JK, CL, RT, DE

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H.B. No. 2632 By Warren Chisum

A BILL TO BE ENTITLED
AN ACT

relating to the Office of Rural Community Affairs.

MAR 13 2003 Filed with the Chief Clerk

MAR 24 2003 Read first time and referred to Committee on Land and Resource Management

APR 23 2003 Reported ___ favorably [redacted]
(as substituted)

MAY 02 2003 Sent to Committee on (Calendars)
[redacted]

_____ Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)
by a vote of _____ yeas, _____ nays, _____ present, not voting

_____ Read third time (amended); finally passed (failed to pass) by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Engrossed

_____ Sent to Senate

_____
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

_____ Received from the House

_____ Read and referred to Committee on _____

_____ Reported favorably _____

_____ Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

_____ Ordered not printed

_____ Laid before the Senate

_____ Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(_____ yeas, _____ nays)

_____ Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(_____ yeas, _____ nays)

_____ Senate and Constitutional 3 Day Rules suspended by a vote of _____ yeas, _____ nays

_____ Read third time, _____, and passed by (a viva voce vote)
(_____ yeas, _____ nays)

_____ Returned to the House

_____
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

_____ Returned from the Senate (as substituted)
(with amendments)

_____ House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House refused to concur in Senate amendments and requested the appointment of a conference committee by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House conferees appointed: _____, Chair; _____,

_____, _____, _____

_____ Senate granted House request. Senate conferees appointed: _____, Chair;

_____, _____, _____, _____

_____ Conference committee report adopted (rejected) by the House by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of _____ yeas, _____ nays)