

- SUBJECT:** Creating the Rural Resident Physician Grant Program
- COMMITTEE:** Higher Education — favorable, without amendment
- VOTE:** 6 ayes — Lozano, Raney, Alonzo, Alvarado, Clardy, Morrison
0 nays
3 absent — Button, Howard, Turner
- WITNESSES:** For — (*Registered, but did not testify:* Tom Kleinworth, Baylor College of Medicine; Gyl Switzer, Mental Health America of Texas; Christine Yanas, Methodist Healthcare Ministries of South Texas; Nora Belcher, Texas e-Health Alliance; Jim Reaves, Texas Farm Bureau; Marcia Collins and Michelle Romero, Texas Medical Association; Clayton Travis, Texas Pediatric Society; Leela Rice, The Texas Council of Community Centers)
Against — None
On — (*Registered, but did not testify:* Rex Peebles, Texas Higher Education Coordinating Board)
- BACKGROUND:** Education Code, ch. 58A regulates programs supporting graduate medical education.
As many rural physicians near retirement age, some observers have called for the state to establish a program to provide additional incentives for rural residency training opportunities.
- DIGEST:** HB 2996 would require the Texas Higher Education Coordinating Board to establish and administer the Rural Resident Physician Grant Program to encourage the creation of new graduate medical education positions in rural areas, with a particular emphasis on rural training tracks.
The coordinating board would be required to award grants to new or expanded physician residency programs at teaching hospitals and other

appropriate health care institutions.

The board would create the criteria for the program in consultation with physicians, including one who practiced in a rural area, teaching hospitals, medical schools and independent physician residency programs and any other person considered appropriate by the board. The coordinating board also would consider whether the rural area had the resources to adequately satisfy residency program accreditation requirements.

Grants could be provided only to support a physician residency program that delivered the level of medical care needed for the area and until the program became eligible for federal funding.

Grant funds awarded could be used only to pay direct costs associated with creating or maintaining a residency program. Each grant application would:

- specify the number of residency positions expected to be created or maintained with the grant;
- specify the grant amount requested per year;
- include documentation of the infrastructure and staffing to satisfy program accreditation requirements;
- include documentation showing the residency program would set a primary goal to produce physicians prepared to practice in a rural area; and
- include evidence of support for the residency training by sponsoring institutions and the community.

The Texas Higher Education Coordinating Board would monitor the grant programs to ensure compliance and require the return of any unused grant money or decline to award additional funds to a residency program that had failed to create and fill the number of residency positions it had proposed, or failed satisfy any other conditions imposed by the board. The grant money could be restored or renewed if the program satisfied the conditions of the grant. Forfeited money would be used to award other grants to eligible applicants.

The coordinating board would be required to give priority on awarding grants to programs that had received a grant in a previous year, provided that the applicable grant recipient had met all necessary conditions.

The board would adopt rules for the administration of the program that contained various administrative provisions, methods for tracking grant effectiveness, and other conditions related to the use and receipt of grants as deemed appropriate by the coordinating board. Rules governing the program would be adopted as soon as possible after the bill took effect.

The bill would require the coordinating board to establish the grant program no later than October 1, 2017, and to begin awarding grants no later than January 1, 2018.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$1.6 million in general revenue related funds in fiscal 2018-19.