

- SUBJECT:** Creating the Rural Resident Physician Grant Program
- COMMITTEE:** Higher Education — favorable, without amendment
- VOTE:** 10 ayes — C. Turner, Stucky, Button, Frullo, Howard, Pacheco, Schaefer, Smithee, Walle, Wilson
- 0 nays
- 1 absent — E. Johnson
- WITNESSES:** For — Timothy Benton, Texas Medical Association; (*Registered, but did not testify*: Lauren Spreen, Texas Academy of Family Physicians; Jennifer Allmon, Texas Conference of Catholic Bishops; Michael Pacheco, Texas Farm Bureau; Don McBeath, Texas Organization of Rural and Community Hospitals; Thomas Parkinson)
- Against — None
- On — Rex Peebles, Texas Higher Education Coordinating Board
- BACKGROUND:** Education Code, ch. 58A regulates programs supporting graduate medical education.
- Some have called on the state to provide additional incentives for rural residency training opportunities.
- DIGEST:** HB 1065 would require the Texas Higher Education Coordinating Board (THECB) to establish and administer the Rural Resident Physician Grant Program to encourage the creation of new graduate medical education positions in rural areas, with an emphasis on rural training tracks. THECB would award grants to new or expanded physician residency programs at teaching hospitals and other appropriate health care institutions.
- Criteria for the program would be developed by THECB in consultation with teaching hospitals, medical schools, independent physician residency

programs, and physicians, including one who practiced in a rural area of the state. The criteria would have to take into account whether a rural or nonmetropolitan area had sufficient resources to adequately support a physician residency program and meet accreditation requirements.

THECB could provide grants only to support a residency program that provided the level of medical care that was most needed in a rural area. After a program became eligible for federal funding, the grant would end.

Grant funds awarded under the program could be used only to pay direct costs associated with creating or maintaining a residency position. Grant applications would be required to:

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

The board would prioritize awarding grants to programs that received a grant in the previous year, provided that the applicable grant recipient from the preceding year had met all requirements.

The board would monitor residency programs receiving grants to ensure compliance. Programs that failed to create and fill the number the number of positions proposed in the program's grant application or that failed to satisfy any other conditions of the grant would be required to return any unused grant money or would not be awarded additional grants. Forfeited funding would be used to award grants to other eligible applicants.

Funding could be restored or renewed to a program after the program satisfied all conditions of the grant.

The board would adopt rules for administering the program, including certain administrative provisions governing eligibility criteria, grant application procedures, and other guidelines and procedures. The board also would have to adopt methods for tracking the effectiveness of grants. These rules would be adopted as soon as practicable after the bill took effect.

THECB would establish the grant program by October 1, 2019, and begin awarding grants under the program by January 1, 2020.

The 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, 2019.

**NOTES:**

According to the Legislative Budget Board, the bill would have a negative impact of \$1.1 million in general revenue related funds through fiscal 2020-21.