

**SUBJECT:** Creating a license for physician graduates

**COMMITTEE:** Health Care Reform, Select — committee substitute recommended

**VOTE:** 7 ayes — Harless, Howard, Bonnen, Frank, Klick, Price, Walle  
0 nays  
4 absent — Bucy, E. Morales, Oliverson, Rose

**WITNESSES:** For — David Balat, Texas Public Policy Foundation; Alina Sholar, TX400; Patricia Aronin, TX400 and TEXAS Physicians for Patients PAC; Jack Franklin; Juliette Madrigal; Tiffany Ostovar-Kermani; Henna Sawhney (*Registered, but did not testify*: Genevieve Collins, Americans for Prosperity, the LIBRE Initiative; Michael Dole, Driscoll Heath System; Lindsay Lanagan, Legacy Community Health; Christine Yanas, Methodist Healthcare Ministries; Mia McCord, Texans for Affordable Health Care/American Coalition for Affordable Health Care; Jaime Capelo, TX400)  
  
Against — (*Registered, but did not testify*: Jackie Besinger)  
  
On — Stephen Carlton, Texas Medical Board; Kevin Dayaratna

**DIGEST:** CSHB 2556 would create licenses and regulations for physician graduates through the Texas Medical Board.

**Definitions.** CSHB 2556 would define a physician graduate as an individual issued a limited license under the bill to practice medicine through a supervising practice agreement with a sponsoring physician. A sponsoring physician would be a physician who entered into a supervising practice agreement with a physician graduate to supervise the physician graduate's practice of medicine.

**Rules and fees.** The Texas Medical Board would be required to adopt rules relating to licensing and regulating of physician graduates, including

rules relating to:

- procedures and fees for the issuance, term, and renewal of a license, including continuing medical education requirements;
- practices and requirements for the supervision of physician graduates; and
- any other matter necessary to ensure protection of the public, including disciplinary procedures.

The fee for a license issuance or renewal could not exceed the fee for the issuance or renewal of a physician assistant license.

**License issuance.** The Texas Medical Board would be required to issue a limited license to practice medicine to an applicant who was a resident of Texas and was a United States citizen, legal permanent resident, or other person authorized under federal law to work in the United States. Applicants also would have to be proficient in English and have graduated from:

- a board-recognized accredited medical or osteopathic medical school in the United States or Canada in the two years preceding the initial application date;
- a medical school outside of the United States or Canada that the board recognized as acceptable in the two years preceding the initial application date; or
- a medical school outside of the United States or Canada that the board recognized as acceptable if the applicant was licensed in good standing to practice medicine in another country.

Applicants would be required to have passed the first and second components of the United States Medical Licensing Examination or equivalent components of another board-approved licensing examination, could not be enrolled in a board-approved postgraduate residency program, and would have to meet any other requirements prescribed by board rules.

**Sponsoring physicians.** A physician could enter into a supervising practice agreement as a sponsoring physician if the physician:

- held a full and unrestricted license to practice medicine;
- had not and was not currently the subject of disciplinary action by any medical licensing authority;
- was certified by a medical specialty member board of the American Board of Medical Specialties or the American Osteopathic Association Bureau of Osteopathic Specialties; and
- practiced medicine in the specialty for which the physician was certified.

The Texas Medical Board would be required to establish the maximum number of physician graduates a sponsoring physician could supervise. A sponsoring physician would be required to comply with all board rules related to supervising physician graduates and would be liable for any medical act or the omission of any medical act by the physician graduate in the provision of medical services.

**Supervising practice agreements.** A physician graduate would not be allowed to practice or attempt to practice medicine without entering a supervising practice agreement. A physician graduate who entered into a supervising practice agreement could practice under the delegation and supervision of another physician if, in a written document, the sponsoring physician authorized the practice of the physician graduate under the delegation of the other physician. The other physician would be required to be part of the sponsoring physician's group or facility and certified in the same specialty as the sponsoring physician.

The physician profile of a sponsoring physician or physician graduate would indicate that the person had entered into a supervising practice agreement in the manner prescribed by the Texas Medical Board.

**Limited practice.** Physician graduates could only provide medical services in the specialty of the sponsoring physician. Before providing a treatment, consultation, or other medical service, physician graduates

would have to disclose to the patient that they were physician graduates and, if asked, that they had not completed any formal specialized postgraduate or resident training. Physician graduates would not be allowed to prescribe a schedule II controlled substance.

**Identification and titles.** A license holder would have to display a document identifying the license holder as a physician graduate at all times. A physician graduate could use “doctor,” “doc.,” or “Dr.” as titles. A licensed physician graduate would be considered a general practitioner for the purposes of Centers for Medicare and Medicaid Services regulations.

**License renewals, denials, suspensions, and revocations.** The Texas Medical Board could not renew a license for a physician graduate unless the board verified that the license holder had practiced under a supervising practice agreement with a sponsoring physician in the license term preceding the application for renewal, and the license holder satisfied the continuing medical education requirements established by board rule.

The Texas Medical Board could deny an application for licensure for any ground established by statute or board rule and in the manner provided by statute and board rule.

**Other provisions.** An insured person could select a physician graduate to provide services scheduled in the health insurance policy that were within the scope of the physician graduate’s license.

The bill would take effect September 1, 2023.

SUPPORTERS  
SAY:

CSHB 2556 would help address the health care workforce shortage, especially in rural and underserved areas, by allowing physician graduates to provide care under the supervision of a physician. Physician graduates are people who graduated medical school but were not accepted into a residency program. Currently, many of these graduates often work minimum wage jobs and are not able to use their education. Physician graduates receive training comparable to a nurse practitioner or a

physician assistant and would be required to pass several exams, ensuring that they were qualified to provide care. Supervising physicians would be responsible and liable for the physician graduate at all times for any medical act, which would further ensure patient safety.

Many graduates do not get accepted to a residency program because there are not enough positions available, not necessarily because they are unqualified. Allowing physician graduates to obtain a limited license would help them gain experience and strengthen their residency applications if they chose to apply again. The bill also would encourage graduates who did not match into a residency program to move to Texas and could provide a pathway for more qualified medical providers from other countries to provide needed medical care.

CRITICS  
SAY:

The bill would not require physician graduates to work in a rural or underserved area, so it might not fill in gaps in the workforce in those areas. Also, residency programs are merit-based, and most US medical school graduates match into a residency, so individuals who are not accepted into a program may not be qualified to provide medical care.