

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 1572  
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Health Services  
5/5/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, managed care entities often consist of networks of health care providers. The 75th Legislature enacted legislation authorizing physicians and podiatrists to co-own such a network if organized as a professional association. However, the law does not permit such co-ownership of a network that is organized as a limited liability company, a non-profit corporation, or a partnership. C.S.H.B. 1572 authorizes physicians and podiatrists to organize, manage, and co-own limited liability companies, non-profit corporations, and partnerships for the purpose of providing professional health care services.

### **PURPOSE**

As proposed, C.S.H.B. 1572 would establish the authority of physicians and podiatrists to form certain jointly owned entities.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subsection A, Article 1528n, V.T.C.S., to authorize licensed doctors of medicine, osteopathy, and podiatrists to organize a professional limited liability company that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners. Sets forth conditions regarding the authority of doctors within the limited liability company. Establishes that the Texas State Board of Medical Examiners and the Texas State Board of Podiatric Medical Examiners continue to exercise regulatory authority over their respective licenses. Deletes text regarding a professional limited liability company. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Article 1396-2.01, V.T.C.S., by amending Subsection B and adding Subsections C and D, to authorize licensed doctors of medicine, osteopathy, and podiatrists to organize a non-profit corporation that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the doctor's scope of practice and consists of certain elements. Establishes conditions regarding the authority of each practitioner involved in a jointly owned non-profit corporation. Establishes that the Texas State Board of Medical Examiners and the Texas State Board of Podiatric Medical Examiners continue to exercise regulatory authority over their respective licenses. Makes a conforming change.

SECTION 3. Amends Article 6132b-2.02, V.T.C.S., to authorizes licensed doctors of medicine, osteopathy, and podiatrists to create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the doctor's scope of practice. Establishes conditions regarding the authority of each practitioner involved in a partnership that is jointly owned and created by the practitioners. Establishes that the Texas State Board of Medical Examiners and the Texas State Board of Podiatric Medical Examiners continue to exercise regulatory authority over their respective licenses.

SECTION 4. Emergency clause.  
Effective date: upon passage.

### **SUMMARY OF COMMITTEE CHANGES**

Relating clause.

Deletes the phrase “and to the authority of certain medical schools to employ physicians” from the relating clause.

SECTION 4.

Deletes proposed SECTION 4 regarding employment of physicians by private medical schools.  
Renumbers subsequent SECTION.