

BILL ANALYSIS

Senate Research Center

S.B. 871
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Health Services
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As Filed

DIGEST

Currently, health care services are often provided to consumers through managed care entities, which include networks of providers such as physicians and podiatrists. In 1997, the 75th Legislature passed a bill authorizing physicians and podiatrists to co-own such networks, if they are organized as a professional association. However, the law does not permit such co-ownership if the network is organized as a limited liability company, a nonprofit corporation, or a partnership. S.B. 871 would allow physicians to organize, manage, and co-own limited liability companies, nonprofit corporations, or partnerships.

PURPOSE

As proposed, S.B. 871 authorizes co-ownership of certain entities by physicians and podiatrists.

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 Section 6, Article 6132b, V.T.C.S. (Texas Uniform Partnership Act), by adding Paragraph (4), to authorize doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners (TSBME) and podiatrists licensed by the Texas State Board of Podiatric Medical Examiners (TSBPME) to form a partnership under this Act to perform professional services that fall within the scope of their respective practice. Prohibits certain partners from exercising control over the clinical authority granted by another through certain agreements that would grant control over treatment decisions made by another partner, when certain doctors form partnerships under this Act. Provides that the TSBME and TSBPME retain their regulatory authority over the partners' licenses.

SECTION 2. Amends Article 11.01, Article 1528n, V.T.C.S. (Texas Limited Liability Company Act), by adding Section C, to authorize certain doctors of medicine and osteopathy and podiatrists licensed under their respective boards to organize a professional limited liability company under this Act to perform professional services that fall within the scope of their respective practices. Prohibits a practitioner from exercising control over the clinical authority granted by another practitioner's license, through certain agreements that would grant control over treatment decisions made by another practitioner.

SECTION 3. Amends Article 2.01, Article 1396-2.01, V.T.C.S. (Texas Non-Profit Corporation Act), by adding Section C, to authorize certain doctors of medicine and osteopathy and podiatrists licensed under their respective boards to form a nonprofit corporation under this Act to perform professional services that fall within the scope of their respective practices and that is organized to carry out certain actions. Limits the authority of the practitioners by the scope of the practitioner's practice, and no practitioner can exercise control over the clinical authority granted by another practitioner's license. Provides that TSBME and TSBPE retain their regulatory authority over the practitioner's licenses. Makes a conforming change.

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