

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1705
By: West
Intergovernmental Relations
4/16/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Throughout the past 20 years, Parkland Health and Hospital System (Parkland) has developed a network of 11 community-oriented primary care (COPC) health centers, 11 youth and family centers, and the Homeless Outreach Medical Service, which serves 30 Dallas County shelters. The network of centers extends primary care, prevention, and wellness services throughout Dallas County. Through the network, Parkland has demonstrated reductions in costly and avoidable emergency room visits and preventable in-patient admissions. In 2006, Parkland assumed responsibility for the health care services for the inmates of the Dallas County Jail System. In aggregate, Parkland annually provides over 725,000 primary care visits.

In order to meet its statutory mandate and provide care for the needy and indigent population, Parkland needs to employ approximately 145 primary care physicians for its COPCs, the Dallas County Jail, family health centers, and Parkland Memorial Hospital. Since the early 1990s, however, the State of Texas has recognized a ban on the "corporate practice of medicine," which currently prevents corporate entities from employing physicians, dentists, and other health care providers.

C.S.S.B. 1705 amends current law relating to the authority of the Dallas County Hospital District to appoint, contract for, or employ physicians, dentists, and other health care providers.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.0282, as follows:

Sec. 281.0282. DALLAS COUNTY HOSPITAL DISTRICT; EMPLOYMENT OF HEALTH CARE PROVIDERS AND PHYSICIANS. (a) Authorizes the board of hospital managers (board) of the Dallas County Hospital District (district) to appoint, contract for, or employ physicians, dentists, and other health care providers as the board considers necessary for the efficient operation of the district.

(b) Prohibits the term of an employment contract entered into under this section from exceeding four years.

(c) Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

(d) Requires the authority granted to the board of the district under Subsection (a) to employ physicians to apply only as necessary for the district to fulfill the district's statutory mandate to provide medical and dental care for the indigent and needy residents of the district as provided by Section 281.046 (District Responsibility for Medical Aid and Hospital Care).

(e) Requires the district to establish a committee consisting of at least five actively practicing physicians who provide care in the district. Requires the committee to approve existing policies or adopt new policies, if no policies exist, to ensure that a physician who is employed by the district is exercising the physician's independent medical judgment in providing care to patients.

(f) Requires that the chair of the committee be a member of the executive committee of the district's medical staff.

(g) Requires that the policies adopted and approved by the committee include policies relating to credentialing, quality assurance, utilization review, peer review, medical decision-making, governance of the committee, and due process.

(h) Requires each member of a committee to provide biennially to the chief medical officer of the district a signed, verified statement indicating that the committee member is licensed by the Texas Medical Board (TMB); will exercise independent medical judgment in all committee matters, including matters relating to credentialing, quality assurance, utilization review, peer review, medical decision-making, and due process; will exercise the committee member's best efforts to ensure compliance with the district's policies that are adopted or established by the committee; and will report immediately to TMB any action or event that the committee member reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(i) Requires the committee to adopt rules requiring the disclosure of financial conflicts of interest by a committee member.

(j) Requires each physician employed by the board, for all matters relating to the practice of medicine, to ultimately report to the chief medical officer of the district.

SECTION 2. Effective date: upon passage or September 1, 2009.