

BILL ANALYSIS

Senate Research Center

H.B. 1413
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The shortage of health care professionals in Texas particularly hurts rural areas of the state for a variety of reasons, and the law prohibiting the corporate practice of medicine can make it difficult for a doctor to decide whether to continue practicing medicine at a rural hospital. H.B. 1413, among other goals regarding the operation of the Castro County Hospital District (district), seeks to remedy this situation by allowing the board of directors of the district to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district and by prohibiting such authorization from being construed as authorizing the board to supervise or control the practice of medicine.

H.B. 1413 amends current law relating to the powers and duties of the Castro County Hospital District.

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 Sections 1013.052 and 1013.062, Special District Local Laws Code, as follows:

Sec. 1013.052. NOTICE OF ELECTION. Requires notice of an election of directors to be published in a newspaper of general circulation in Castro County in accordance with Section 4.003 (Method of Giving Notice), Election Code. Deletes existing text requiring notice of the election, not earlier than the 30th day or later than the 10th day before the date of an election of directors, to be published one time in a newspaper of general circulation in Castro County.

Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. (a) Creates this subsection from existing text. Makes no further changes to this subsection.

(b) Authorizes the board of directors of the Castro County Hospital District (board; district) to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(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 Professionals), Occupations Code.

(d) Authorizes the board to employ a physician and retain all or part of the professional income generated by the physician for medical services provided at the hospital and other health facilities owned or operated by the hospital if the hospital satisfies the requirements of this subchapter.

(e) Requires the board to:

(1) appoint a chief medical officer, who may be a member of the hospital's medical staff; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the hospital exercises the physician's independent medical judgment in providing care to patients at the hospital.

(f) Requires the policies adopted under this section to include:

(1) policies relating to credentialing, quality assurance, utilization review, peer review, and medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(g) Requires each physician employed by the hospital under this subchapter, for all matters relating to the practice of medicine, to ultimately report to the chief medical officer of the hospital.

(h) Provides that the policies adopted under this section:

(1) must be approved by the chief medical officer of the hospital; and

(2) shall control and prevail in the event of a conflict with any other policies of a hospital under this subchapter.

(i) Requires the chief medical officer to immediately report to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

SECTION 2. Amends Subchapter E, Chapter 1013, Special District Local Laws Code, by adding Sections 1013.209, and 1013.210, as follows:

Sec. 1013.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. Provides that, in addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1013.202 and revenue and other sources authorized by Section 1013.206.

Sec. 1013.210. USE OF BOND PROCEEDS. Authorizes the district to use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years, and for one year after the project or facility is acquired or constructed; and

(B) for one year after the project or facility is acquired or constructed;

- (4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;
- (5) costs related to the bond issuance;
- (6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and
- (7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

SECTION 3. Effective date: upon passage or September 1, 2011.