

## **BILL ANALYSIS**

Senate Research Center  
82R9405 KEL-F

S.B. 1648  
By: Watson  
Higher Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas has a shortage of physicians and other health professionals, and the shortage is expected to worsen over the next decade. According to the consensus statement issued by the Texas Medical Association (TMA) to the 82nd Legislature, Texas ranks 42nd out of 50 states in the ratio of patient care physicians per 100,000 people. In addition, Texas ranks last among the five most populous states in the number of physicians per 100,000 people. According to Arthur Garson, Jr., senior vice president at The University of Texas Health Science Center, to meet the health needs of its growing, aging population, the United States needs to add up to one million nurses and up to 150,000 physicians in the next 15 years. Texas medical schools would need to double their output over the next four years and nursing schools would need to double their output over the next 14 years.

S.B. 1648 sets forth an initial plan to increase health education in the state, leveraging the strengths of existing academic institutions with the strengths of existing medical and health professional schools. The plan also leverages other local and federal resources to make the state's investment cost-effective. In the short-term, the bill facilitates a significant increase in health education, and in the long-term, it provides a step toward the creation of another medical school in Texas.

The bill allows the governing board of a university system to establish an academic health center if the system meets certain criteria. The academic health center must include as participating institutions, one or more allopathic or osteopathic medical schools; two or more health professional schools or programs such as nursing, public health, or pharmacy; one or more undergraduate programs of a general academic teaching institution; and one or more graduate degree programs of a general academic teaching institution.

The bill also requires the Texas Higher Education Coordinating Board (THECB) to evaluate whether the system meets the bill's specific criteria. THECB is to approve the establishment of an academic health center if the system demonstrates a need for the center based on demographic information; the system's ability to provide a teaching hospital and other facilities; the center's capacity to expend a minimum of \$50 million annually in federally or privately sponsored research; community support of at least \$35 million; and a well-defined business plan that evidences ongoing support of the center, including support for medical residencies.

The bill also requires THECB to evaluate whether the system meets the criteria set forth in the bill.

As proposed, S.B. 1648 amends current law relating to the establishment of an academic health center by a university system.

### **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 Chapter 51, Education Code, by adding Subchapter I, as follows:

### **SUBCHAPTER I. ACADEMIC HEALTH CENTERS**

Sec. 51.451. DEFINITIONS. Defines, in this subchapter, "coordinating board," "general academic teaching institution," "governing board," and "university system."

Sec. 51.452. ACADEMIC HEALTH CENTER. Provides that an academic health center (center) is a program that integrates biomedical and clinical research, patient care, and predoctoral and postdoctoral teaching provided by multiple participating institutions, schools, and programs.

Sec. 51.453. ESTABLISHMENT. Authorizes the governing board of a university system to establish a center as a program of institutions of higher education under the board's control and direction if the system meets the criteria provided by this subchapter, as determined by the Texas Higher Education Coordinating Board (THECB). Requires that the center include as participants:

- (1) one or more allopathic or osteopathic medical schools;
- (2) two or more health professional schools or programs, such as nursing, public health, or pharmacy schools or programs;
- (3) one or more undergraduate degree programs of a general academic teaching institution; and
- (4) one or more graduate degree programs of a general academic teaching institution.

Sec. 51.454. DEMONSTRATION OF NEED AND SUPPORT. (a) Requires THECB to approve the establishment of an academic health center under Section 51.453 if the THECB finds that the university system seeking to establish the center has demonstrated:

- (1) a need for the academic health center based on applicable statewide and regional factors, including:
  - (A) demographic factors such as:
    - (i) age, income, and health condition; and
    - (ii) rate of persons without health care coverage; and
  - (B) present or predicted physician-to-population ratios or physician shortages in identified specialties;
- (2) the system's ability to provide a teaching hospital and other facilities adequate to support the center's research, education, and clinical activities, considering the proximity and availability of existing complementary facilities and programs;
- (3) the center's capacity to expend in the aggregate a minimum of \$50 million annually in federally sponsored or privately sponsored research, as evidenced by the research contracts of participating institutions, provided that the center will participate in those contracts;
- (4) community support from a combination of state and local governments, charities, chambers of commerce, hospitals, and medical

societies, as evidenced by commitments of financial and other resources with an aggregate value of at least \$35 million; and

(5) a well-defined business plan that includes identified financial resources estimated to be sufficient for the ongoing support of the center, including support for medical residencies.

(b) Authorizes health condition information considered under Subsection (a)(1)(A)(i) to include health condition information relating to rates of disabilities, infant mortality, obesity, or diabetes or other chronic conditions.

Sec. 51.455. EFFECT ON FORMULA FUNDING. Provides that, for purposes of the appropriation formulas recommended by THECB under Section 61.059 (Appropriations), a student of an academic health center established under this subchapter is considered to be a student of a health-related institution to the extent that formula funding of health-related institutions applies to the discipline in which the student is enrolled.

SECTION 2. Effective date: upon passage or September 1, 2011.