

## **BILL ANALYSIS**

Senate Research Center  
88R19476 BEE-F

H.B. 2556  
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Health & Human Services  
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Engrossed

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

According to a report by the Department of State Health Services, there is a physician workforce shortage in Texas which is expected to worsen. While our state has taken steps to help alleviate these shortages, there is still a group of health care professionals who are underutilized. According to the National Resident Matching Program, not all physicians who have graduated from medical school are matched into residency programs. At present, this group of physicians is not permitted to practice any kind of medicine in Texas.

Medical school graduates who do not match into a residency program are being pushed to the sidelines, unable to use their training and expertise. Although these graduates are able to reapply for residency in subsequent match cycles, their applications are considerably weakened each year they are out of medical school and not in the workforce. H.B. 2556 establishes a medical license that allows certain medical school graduates to enter the workforce under the supervision of a licensed physician, with the goal of helping these graduates gain practice experience and maintain or even increase the strength of their applications, making it more likely that they will eventually match into their chosen field, while also alleviating health care workforce shortages.

H.B. 2556 amends current law relating to the licensing and regulation of physician graduates and the authority of an insured to select a physician graduate under the insured's health insurance policy, requires an occupational license, and authorizes fees.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Medical Board in SECTION 1 (Sections 155.202 and 155.205, Occupations Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 155, Occupations Code, by adding Subchapter E, as follows:

#### **SUBCHAPTER E. PHYSICIAN GRADUATE**

Sec. 155.201. DEFINITIONS. Defines "physician graduate," "sponsoring physician," and "supervising practice agreement."

Sec. 155.202. RULES. Requires the Texas Medical Board (TMB) to adopt rules in accordance with this subchapter relating to the licensing and regulation of physician graduates, including rules relating to:

- (1) procedures and fees for the issuance, term, and renewal of a license under this subchapter, including continuing medical education requirements for renewal of the license;
- (2) practices and requirements for the supervision of physician graduates; and
- (3) any other matter necessary to ensure protection of the public, including disciplinary procedures.

Sec. 155.203. LICENSE ISSUANCE. Requires TMB, on application, to issue a limited license to practice medicine under this subchapter to an applicant who:

- (1) is a resident of this state and is:
  - (A) a United States citizen or a legal permanent resident; or
  - (B) otherwise authorized under federal law to work in the United States;
- (2) has proficiency in the English language;
- (3) has graduated:
  - (A) in the two years preceding the date that the applicant initially applies for a physician graduate license, from:
    - (i) a TMB-recognized accredited medical school or osteopathic medical school in the United States or Canada; or
    - (ii) a medical school located outside of the United States and Canada that is recognized by TMB as acceptable; or
  - (B) if the applicant is licensed in good standing to practice medicine in another country, from a medical school located outside of the United States and Canada that is recognized by TMB as acceptable;
- (4) has passed the first and second components of the United States Medical Licensing Examination or equivalent components of another TMB-approved licensing examination described by Section 155.0511 (Examinations Administered or Accepted by Board);
- (5) is not enrolled in a TMB-approved postgraduate residency program; and
- (6) meets any other requirement prescribed by TMB rule.

Sec. 155.204. FEES. Prohibits the amount of a fee for the issuance or renewal of a license under this subchapter from exceeding the amount of a fee for the issuance or renewal of a physician assistant license under Chapter 204 (Physician Assistants).

Sec. 155.205. SPONSORING PHYSICIAN. (a) Provides that a physician is eligible to enter into a supervising practice agreement as a sponsoring physician if the physician:

- (1) holds a full and unrestricted license to practice medicine issued under Subtitle B (Physicians);
  - (2) has not been and is not currently the subject of disciplinary action by TMB or the medical licensing authority of any other jurisdiction;
  - (3) is certified by a medical specialty member board of the American Board of Medical Specialties or the American Osteopathic Association Bureau of Osteopathic Specialists; and
  - (4) practices medicine in the specialty for which the physician is certified under Subdivision (3).
- (b) Requires a sponsoring physician who enters into a supervising practice agreement with a physician graduate to comply with all TMB rules related to the supervision of physician graduates.

(c) Requires TMB by rule to establish the maximum number of physician graduates that a sponsoring physician is authorized to supervise under supervising practice agreements.

Sec. 155.206. SUPERVISING PRACTICE AGREEMENT REQUIRED. (a) Requires a physician graduate to enter into a supervising practice agreement with a sponsoring physician.

(b) Prohibits a physician graduate who has not entered into a supervising practice agreement from practicing or attempting to practice medicine.

(c) Authorizes a physician graduate who enters into a supervising practice agreement to practice under the delegation and supervision of another physician if:

(1) the sponsoring physician authorizes the practice of the physician graduate under the delegation and supervision of the other physician in a written document that identifies the other physician by name; and

(2) the other physician is:

(A) part of the sponsoring physician's physician group or facility; and

(B) certified in the same specialty as the sponsoring physician by a medical specialty member board of the American Board of Medical Specialties or the American Osteopathic Association Bureau of Osteopathic Specialists.

(d) Requires that the physician profile under Section 154.006 (Physician Profiles) of a sponsoring physician or physician graduate indicate in the manner prescribed by TMB rule that the sponsoring physician or physician graduate has entered into a supervising practice agreement.

Sec. 155.207. LIMITED PRACTICE BY LICENSE HOLDER. (a) Authorizes a physician graduate to provide only medical services in the specialty in which the physician graduate's sponsoring physician is certified as described by Section 155.205(a)(3) under supervision in accordance with a supervising practice agreement.

(b) Requires a license holder under this subchapter, before the license holder provides a treatment, consultation, or other medical service, to disclose to the patient:

(1) that the license holder is a physician graduate; and

(2) if asked, that the license holder has not completed any formal specialized postgraduate or resident training.

(c) Prohibits a physician graduate from prescribing a Schedule II controlled substance.

Sec. 155.208. LIABILITY OF SUPERVISING PHYSICIAN. Provides that a sponsoring physician who enters into a supervising practice agreement with a physician graduate is responsible at all times for the oversight of and is liable for any medical act performed or the omission of any medical act by the physician graduate in the provision of medical services.

Sec. 155.209. IDENTIFICATION REQUIREMENTS; USE OF TITLE. (a) Requires the holder of a license issued under this subchapter at all times while practicing as a

physician graduate to display a personal identification document identifying the license holder as a physician graduate.

(b) Authorizes a physician graduate to use the following titles or abbreviations:

(1) "doctor"; or

(2) "Dr." or "doc."

Sec. 155.210. STATUS OF PHYSICIAN GRADUATE. Provides that a physician graduate license holder is considered a general practitioner for purposes of regulations of the federal Centers for Medicare and Medicaid Services.

Sec. 155.211. LICENSE RENEWAL. Prohibits TMB from renewing a license issued under this subchapter unless:

(1) TMB verifies that the license holder has practiced in accordance with this subchapter under a supervising practice agreement with a sponsoring physician in the license term preceding the application for renewal; and

(2) the license holder satisfies the continuing medical education requirements established by TMB rule.

Sec. 155.212. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. Authorizes TMB to deny an application for licensure or suspend or revoke a license issued under this subchapter:

(1) for any ground provided by Chapter 164 (Disciplinary Actions and Procedures) or TMB rule; and

(2) in the manner provided by Chapter 164 and TMB rule.

SECTION 2. Amends Section 1451.001, Insurance Code, by adding Subdivision (16-a) to define "physician graduate."

SECTION 3. Amends Subchapter C, Chapter 1451, Insurance Code, by adding Section 1451.129, as follows:

Sec. 1451.129. SELECTION OF PHYSICIAN GRADUATE. Authorizes an insured to select a physician graduate to provide the services scheduled in the health insurance policy that are within the scope of the physician graduate's license under Subchapter E, Chapter 155, Occupations Code.

SECTION 4. Requires TMB, not later than January 1, 2024, to adopt rules as necessary to implement Subchapter E, Chapter 155, Occupations Code, as added by this Act.

SECTION 5. Makes application of Section 1451.129, Insurance Code, as added by this Act, prospective to January 1, 2024.

SECTION 6. Effective date: September 1, 2023.