

SUBJECT: Ownership of facilities by doctors and optometrists

COMMITTEE: Public Health — favorable, without amendment

VOTE: 5 ayes — Gray, Coleman, Delisi, Glaze, Uresti

0 nays

4 absent — Capelo, Hilderbran, Maxey, McClendon

WITNESSES: For — Mark J. Hanna, Texas Association of Optometrists

Against — None

DIGEST: HB 2453 would amend the Medical Practice Act and the Texas Optometry Act to allow physicians, optometrists, and therapeutic optometrists to organize, jointly own, and manage a partnership, a limited partnership, a limited liability company, or any other legal entity to:

- ! own, lease, or rent real property, physical facilities, and equipment for the delivery of health-care services and management; or
- ! employ a person who is not a physician or optometrist for the delivery of health-care services or management.

Only an optometrist, therapeutic optometrist, or physician could have an ownership interest in these authorized entities.

The bill would take effect September 1, 1999.

SUPPORTERS SAY: HB 2453 would improve the ability of optometrists to participate in managed health-care delivery systems. Managed care organizations (MCOs), such as health maintenance organizations and preferred provider organizations, dominate the delivery and financing of health-care services. To maximize cost-effectiveness, MCOs generally contract with doctors or organizations of doctors to provide a wide range of services for their enrollees. This puts optometrists at a disadvantage because their practice is limited to specific activities relating to the eyes.

Optometrists often work closely with ophthalmologists, who are doctors of medicine specializing in eye care. In these situations, the optometrist handles routine eye exams and fills prescriptions for glasses and contact lenses, while the ophthalmologist handles more serious eye conditions and surgeries.

By allowing optometrists to organize limited liability companies, nonprofit corporations, and partnerships with doctors, HB 2453 would bring optometrists into a fuller range of organizations that contract with MCOs and would increase the availability of providers and services to MCO enrollees. The bill also would allow ophthalmologists and optometrists to share in business costs and equity. By accessing reimbursement through network participation, optometrists would be able to sustain their livelihoods and compete in the evolving health-care market.

There would be no risk to the state in allowing doctors and optometrists to form limited liability companies, partnerships, and other legal entities for the purpose of delivering or managing health-care services. Optometrists would not be expanding their scope of practice and still would be regulated by the Optometry Board. In 1997, the 75th Legislature enacted HB 1149, which authorized doctors and podiatrists to form professional associations, and no negative consequences have been reported.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

On April 15, the House passed a related bill, HB 1572 by S. Turner, which would allow doctors and podiatrists to form limited liability corporations, partnerships, and nonprofit corporations.