

SUBJECT: Expanding professional liability coverage for certain university systems

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 11 ayes — C. Turner, Stucky, Button, Frullo, Howard, E. Johnson,
Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

WITNESSES: For — (*Registered, but did not testify:* Leticia Van de Putte, Texas
Academy of Physician Assistants)

Against — None

On — (*Registered, but did not testify:* Rex Peebles, Texas Higher
Education Coordinating Board; Allene Evans, University of Texas
System)

BACKGROUND: Education Code ch. 59 subch. A authorizes the University of Texas
System, the Texas A&M University System, the Texas Tech University
System, and the University of North Texas Health Science Center at Fort
Worth to self-insure for medical malpractice coverage. Coverage applies
to certain medical professionals appointed to the faculty or employed for
student health services at the universities, as well as to certain students
participating in a patient-care program at the universities.

To pay for any damages determined in a court, or to settle any medical
malpractice claim against a member of the medical staff or students, these
institutions are allowed to create a medical professional liability fund from
which funds may be used to pay for expenses associated with
investigation, settlement, defense, or payment of claims.

Funds appropriated by the Legislature to these schools may not be used to
establish or maintain the medical professional liability fund, purchase
insurance, or employ private legal counsel.

DIGEST: CSHB 1592 would add the Texas State University System, the University of Houston System, and the University of North Texas System to the list of university systems authorized to self-insure for health care professional liability coverage. These systems would be authorized to create a health care professional liability fund for self-insurance.

The bill would expand the applicability of health care professional liability coverage. Coverage would apply to:

- physicians, physician assistants, nurses, pharmacists, and other health care providers who are either appointed or employed on a full-time basis by a university system, or who are appointed or volunteer on a part-time basis and devote their total professional service to providing health services; and
- interns, residents, fellows, medical students, dental students, veterinary students, students of osteopathic medicine, nursing students, and students of any other health care profession that requires a license, certificate, or other authorization participating in a patient-care program at the university systems.

CSHB 1592 would replace applicable statutory references to medical staff, medical malpractice insurance, and medical malpractice claims with references to health care professional staff members, health care liability insurance, and health care liability claims, respectively.

The bill would take effect September 1, 2019.

SUPPORTERS SAY: CSHB 1592 would modernize the self-insurance authority granted to public university systems by allowing coverage for physician assistants, nurses, pharmacists, other licensed health care providers, and associated health care profession students. This would allow universities to cover their professional liability insurance needs more efficiently.

Granting the University of Houston System, the Texas State University System, and the University of North Texas System the authority to self-insure would save these institutions money and allow them to assist their

health care professionals during disciplinary proceedings. Currently, if statute does not authorize a system to be self-insured, that system must obtain private coverage, which can be costly and difficult to obtain. These systems need the option to self-insure to obtain adequate, affordable coverage.

The bill is not a mandate. It would permit university systems to pursue cost effective methods of self-insurance.

OPPONENTS
SAY:

No concerns identified.