

## **BILL ANALYSIS**

Senate Research Center  
77R13973 AJA-F

C.S.H.B. 606  
By: Smithee (Nelson)  
Business & Commerce  
5/4/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

A recent development in managed care is the use of hospitalists. Hospitalists are physicians who practice primarily in the hospital setting and assume primary responsibility for the care of other physicians' patients during hospitalization. A hospitalist arrangement, if entered into voluntarily by a patient and a physician, may increase efficiency, reduce unnecessary services, and improve communication among the hospitalized patient, the attending physician, and the hospital staff. Mandatory hospitalist arrangements, however, may compromise the quality and continuity of care, decrease patient satisfaction, and erode an office-based physician's inpatient clinical skills. C.S.H.B. 606 prohibits an insurer or health maintenance organization from mandating a hospitalist program.

### **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 Article 3.70-3C, Insurance Code, as added by Chapter 1024, Acts of the 75th Legislature, Regular Session, 1997, by adding Section 3B, as follows:

Sec. 3B. USE OF HOSPITALIST. (a) Defines "hospitalist."

(b) Prohibits a preferred provider contract between an insurer and a physician from requiring the physician to use a hospitalist for a hospitalized patient.

SECTION 2. Amends the Texas Health Maintenance Organization Act (Chapter 20A, V.T.C.S.), by adding Section 18D, as follows:

Sec. 18D. USE OF HOSPITALIST. (a) Defines "hospitalist."

(b) Prohibits a contract between a health maintenance organization and a physician from requiring the physician to use a hospitalist for a hospitalized patient.

SECTION 3. Effective date: September 1, 2001.  
Makes application of this Act prospective.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 2. Amends As Filed H.B. 606, The Texas Health Maintenance Organization Act (Chapter 20A, V.T.C.S.), by deleting previously proposed Subsection (c).