

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 814  
By: Watson  
Higher Education  
4/30/2009  
Committee Report (Substituted)

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

There is a physician shortage throughout Texas that has been predicted to get worse. The national ratio of primary care physicians to persons is 81 per 100,000, and in Texas, the ratio is 68 per 100,000. About one in five, or 5.1 million Texans, live in a full or partial primary care health professional shortage areas (HPSAs): 114 Texas counties are full HPSAs and another 17 are partial HPSAs. By 2015, Texas will need more than 4,500 additional primary care physicians and other providers to care for the state's underserved population.

C.S.S.B. 814 amends current law relating to physician education, including repayment assistance for certain physician education loans and requirements for family practice residency programs.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board (THECB) is modified in SECTION 1 (Section 61.532, Education Code) and SECTION 4 (Section 61.537, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.532, Education Code, as follows:

Sec. 61.532. ELIGIBILITY. (a) Requires a physician, to be eligible to receive repayment assistance, to apply to the Texas Higher Education Coordinating Board (THECB) and have completed at least one year of medical practice:

- (1) in private practice in an economically depressed or rural medically underserved area of the state;
- (2) for the Department of State Health Services (DSHS), the Department of Aging and Disability Services (DADS), the Texas Department of Criminal Justice (TDCJ), or the Texas Youth Commission (TYC), rather than Texas Department of Health, Texas Department of Mental Health and Mental Retardation, or Texas Department of Corrections;
- (3) for an approved family practice residency training program established under Subchapter I (Contracts for Medical Residency Programs) as a clinical faculty member and have completed training in an approved family practice residency training program on or after July 1, 1994; or
- (4) in primary care or in a medical specialty of acute physician shortage, as determined by THECB in consultation with DSHS, and in a hospital or clinic with a patient population of whom at least 50 percent are uninsured or receive Medicaid or a public hospital, as defined by Section 61.002 (Definitions), Health and Safety Code.

(b) Authorizes THECB by rule to provide for repayment assistance on a pro rata basis for physicians practicing as described by Subsection (a)(2-4) on a part-time basis, rather than for physicians practicing part-time for an approved family practice residency training program established under Subchapter I of this chapter or a state agency specified in Subsection (a) of this section.

SECTION 2. Amends Section 61.535(a), Education Code, to require THECB to deliver any repayment made under this subchapter in a lump sum payable to both the physician and the lender or other holder of the loan, or on behalf of the physician, directly to the lender or other holder of the loan, rather than to the lender and the physician in accordance with federal law.

SECTION 3. Amends Section 61.536, Education Code, to authorize THECB to request the assistance of DSHS and the Family Practice Residency Advisory Committee (committee) in performing THECB's duties.

SECTION 4. Amends Section 61.537(a), Education Code, as follows:

(a) Requires THECB to adopt rules necessary for the administration of this subchapter, including rules that:

(1) provide for the commissioner of higher education to set an appropriate maximum amount of repayment assistance that may be received by a physician in one year, except that the maximum amount of repayment assistance that may be received in one year by a physician who establishes eligibility under Section 61.532(a)(4) is prohibited from exceeding \$35,000;

(2) authorize DSHS to establish priorities among eligible physicians for repayment assistance, by considering, rather than taking into account, the degree of physician shortage, geographic locations, whether the physician is or will be providing service in an economically depressed or rural medically underserved area or service as described by Section 61.532(a)(4), and other criteria DSHS considers appropriate; and

(3) administer the program under this subchapter in a manner that maximizes any matching funds available through the National Health Service Corps program of the United States Department of Health and Human Services.

Deletes existing text requiring THECB to adopt a rule that sets a maximum amount of repayment assistance that may be received by a physician in one year and a rule that authorizes the committee to establish priorities among eligible physicians for repayment assistance, by taking into account certain information the committee considers appropriate. Makes nonsubstantive changes.

SECTION 5. Amends Section 61.539, Education Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires that the amount set aside be transferred to the comptroller of public accounts to be maintained in the state treasury for the sole purpose of repayment of student loans of a physician serving in certain locations, or as described by Section 61.532(a)(4). Makes nonsubstantive changes.

(b-1) Creates this subsection from existing text. Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to the amount set aside by this section.

SECTION 6. Amends Section 51.918(b), Education Code, to require THECB to require family practice residency programs to provide an opportunity for residents to have a one-month rotation through a rural setting, a public health setting, or an oncology setting. Makes nonsubstantive changes.

SECTION 7. Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules necessary to administer Subchapter J (Repayment of Certain Physician Education Loans), Chapter 61, Education Code, as amended by this Act.

SECTION 8. Provides that this Act does not make an appropriation. Provides that a provision in this Act that creates a new governmental program, creates a new entitlement, or imposes a new

duty on a governmental entity is not mandatory during a fiscal period for which the legislature has not made a specific appropriation to implement the provision.

SECTION 9. Effective date: upon passage or September 1, 2009.