

## **BILL ANALYSIS**

Senate Research Center

S.B. 143  
By: Nelson; Schwertner  
Higher Education  
3/21/2013  
As Filed

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

Without access to primary care, patients either delay treatment, leading to more severe health problems, or they seek care in overcrowded hospital emergency departments, the most expensive sector of the health care system.

S.B. 143 promotes the expansion of graduate medical education for primary care physicians, establishes incentives for Texas medical schools to increase the state's supply of primary care physicians, and encourages greater physician participation in Medicaid and the Texas Women's Health Program.

As proposed, S.B. 143 amends current law relating to programs designed to enhance medical education in this state.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 (Section 58.008, Education Code), SECTION 3 (Section 61.9824, Education Code), and SECTION 7 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 58.007(a), (b), and (c), Education Code, as follows:

(a) Requires that nothing in this section or Section 58.006 (Statewide Preceptorship Programs) or 58.008 diminish or abolish the activities of the Family Practice Residency Advisory Committee (committee) established under Section 61.505 (Advisory Committee). Provides that it is not the intent of this section to combine or assimilate advisory programs but only to add to and enhance the residency training of primary care physicians in Texas.

(b)(1) Provides that the Primary Care Graduate Medical Education Expansion Program Advisory Committee, rather than the Primary Care Residency Advisory Committee, is created and is required to consist of 12 certain members. Requires that one member be appointed by the Office of Rural Affairs, rather than the Texas Department of Rural Affairs, and one member by the Department of State Health Services, rather than the Bureau of Community Oriented Primary Care at the Department of State Health Services.

(2) Makes no change to this subdivision.

(g) Requires the committee to review for the Texas Higher Education Coordinating Board (THECB) applications for approval and funding of the expansion of existing primary care graduate medical education residency training programs or the establishment of new Accreditation Council for Graduate Medical Education or American Osteopathic Association nationally accredited primary care residency programs as described in Section 58.008, make recommendations to THECB relating to program funding and perform such other duties as may be directed by THECB, rather than requiring the committee to review for THECB applications for approval and funding of primary care

residency training program expansion as described in Section 58.008 and related support programs, make recommendations to THECB relating to the standards and criteria for approval of residency training and related support programs, and perform such other duties as is authorized to be directed by THECB

SECTION 2. Amends Section 58.008, Education Code, as follows:

Sec. 58.008. New heading: PRIMARY CARE GRADUATE MEDICAL EDUCATION EXPANSION PROGRAM. (a) Requires that only primary care residency programs, rather than only residency positions, in family practice, general internal medicine, general pediatrics, and obstetrics and gynecology are eligible for funds under this section. Makes nonsubstantive changes.

(b) Requires the advisory committee created under Section 58.007 to recommend to THECB an allocation of new primary care residency positions by residency program that are to receive state support.

(c) Requires the committee, in recommending an allocation among the four primary care specialties designated for expansion, to consider certain factors, including federally designated and state-designated medically underserved areas and health professional shortage areas the boundaries of which correspond to entire counties, the residency program's history of retention and the program's success rate in placing physicians in communities in this state following completion of residency training, with an emphasis on the program's success rate in placing physicians in underserved communities, and the amount of matching funds a residency program receives or will receive from community collaborative groups; and to give priority to residency programs located in community-based settings such as federally qualified health centers, community health clinics, and rural hospitals. Makes nonsubstantive and conforming changes.

(d) Redesignates existing Subsection (c) as Subsection (d). Requires THECB, once funds are awarded to support a resident position as part of a primary care residency program's expansion efforts, rather than a resident position of a particular residency program, to continue to award grant funds to support that residency position in that specific residency program to maintain support for its expansion efforts for all three or four postgraduate years of the residency training curriculum until the resident physician appointed to that position has completed or left the program. Provides that the residency position would then be eligible for reallocation by the Primary Care Graduate Medical Education Expansion Program Advisory Committee, rather than the Primary Care Residency Advisory Committee.

(e) Authorizes a grant awarded under this section to an existing or new primary care residency program to be used to pay the salaries of resident physicians in an amount not to exceed \$15,000 per resident physician.

(f) Requires THECB to adopt rules for the administration of this section.

SECTION 3. Amends Chapter 61, Education Code, by adding Subchapter II, as follows:

#### SUBCHAPTER II. GRANT PROGRAMS TO SUPPORT PRIMARY CARE IN THIS STATE

Sec. 61.9821. PRIMARY CARE PHYSICIAN INCENTIVE PROGRAM. Requires THECB, subject to available funds, to establish a grant program under which THECB awards incentive payments to medical schools that demonstrate improvement in the graduation rates of physicians who work in primary care in this state following completion of their residency training.

Sec. 61.9822. PRIMARY CARE INNOVATION PROGRAM. Requires THECB, subject to available funds, to establish a grant program under which THECB awards incentive payments to medical schools that develop innovative programs designed to increase the number of primary care physicians in this state.

Sec. 61.9823. GIFTS, GRANTS, AND DONATIONS. Authorizes THECB, in addition to other money appropriated by the legislature, to solicit, accept, and spend gifts, grants, and donations from any public or private source for the purposes of the programs established under this subchapter.

Sec. 61.9824. RULES. Requires THECB, in consultation with each medical school in this state, to adopt rules for the administration of the programs established under this subchapter. Requires that the rules include:

(1) administrative provisions relating to each type of grant under this subchapter, such as eligibility criteria for medical schools; grant application procedures; guidelines relating to grant amounts; procedures for evaluating grant applications; and procedures for monitoring the use of grants; and

(2) a method for tracking the effectiveness of grants that, using data reasonably available to THECB, considers relevant information regarding the career paths of medical school graduates during the four-year period following their graduation and evaluates whether and for how long those graduates work in primary care in this state.

Sec. 61.9825. ADMINISTRATIVE COSTS. Authorizes THECB to use a reasonable amount, not to exceed three percent, of any money appropriated for purposes of this subchapter to pay the costs of administering this subchapter.

SECTION 4. Amends Section 61.532, Education Code, as follows:

Sec. 61.532. ELIGIBILITY. (a) Creates this subsection from existing text. Requires a physician, to be eligible to receive repayment assistance, to:

(1) apply to THECB;

(2) at the time of application be licensed to practice medicine under Subtitle B (Physicians), Title 3, Occupations Code;

(3) have completed one, two, three, or four consecutive years of practice in a health professional shortage area designated by the Department of State Health Services (DSHS) or in accordance with Subsection (b); and

(4) provide health care services to:

(A) recipients under the medical assistance program authorized by Chapter 32 (Medical Assistance Program), Human Resources Code;

(B) enrollees under the child health care plan program authorized by Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code; or

(C) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department, rather than the Texas Youth Commission, or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.

(b) Authorizes a physician to complete one or more years of practice required by Subsection (a)(3) in a location other than a health professional shortage area designated by the DSHS if, during the year or years, the physician provides health care services to a designated percentage of patients who are recipients under the medical assistance program authorized by Chapter 32, Human Resources Code, or the Texas Women's Health Program according to criteria established by THECB in consultation with the Health and Human Services Commission (HHSC). Requires HHSC to verify a physician's compliance with this subsection, and THECB and HHSC shall enter into a memorandum of understanding for that purpose.

SECTION 5. Amends Section 61.5391, Education Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that the physician education loan repayment program account is an account in the general revenue fund. Provides that the account is composed certain gifts, grants, earnings and certain other amounts deposited to the credit of the account including money deposited under Section 61.539(b) (relating to requiring the amount of tuition set aside for certain loans to be transferred to the comptroller to be deposited in the physician education loan repayment program account) or 61.5392.

(c) Authorizes money deposited to the credit of the account under Section 61.5392 to be used only to provide loan repayment assistance to physicians who establish eligibility for the assistance under Section 61.532 (a) (4) (A) or (b).

SECTION 6. Amends Subchapter J, Chapter 61, Education Code, by adding Section 61.5392, as follows:

Sec. 61.5392. MEDICAID MATCHING FUNDS. (a) Requires HHSC, for the purposes of this subchapter, to seek any federal matching funds that are available to support Medicaid services in this state.

(b) Requires that any amount received under Subsection (a) be transferred to the comptroller of public accounts of the State of Texas to be deposited in the physician education loan repayment program account established under Section 61.5391. Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to any amount deposited under this section.

SECTION 7. (a) Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules for the implementation and administration of the grant programs established under Subchapter II, Chapter 61 (Texas Higher Education Coordinating Board), Education Code, as added by this Act. Authorizes THECB to adopt the initial rules in the manner provided by law for emergency rules.

(b) Requires THECB, not later than January 1, 2014, to establish the grant programs required by Subchapter II, Chapter 61, Education Code, as added by this Act, and requires THECB to begin to award grants under those programs not later than September 1, 2014.

(c) Requires THECB and HHSC, not later than October 1, 2013, to enter into the memorandum of understanding required by Section 61.532(b), Education Code, as added by this Act. Requires THECB, as soon as practicable after the date of the memorandum, to begin awarding loan repayment assistance to physicians who establish eligibility under that subsection.

SECTION 8. Effective date: September 1, 2013.