

BILL ANALYSIS

Senate Research Center
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H.B. 4663
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Parker County Hospital District (district) is in desperate need of a physician to staff its rural health clinic. Many hospital districts across Texas have the authority to employ physicians directly pursuant to Chapter 311 of the Health and Safety Code. However, Parker County exceeds the population limit in place for that statute and, therefore, does not have the authority necessary for physician employment. The district also does not have the option of creating a non-profit organization to employ physicians like other similarly situated institutions. The Texas Medical Board requires three physicians to serve on the non-profit board and since the district does not operate a hospital and has been unable to contract with physicians to work in its rural clinic, they cannot meet this requirement. The district is the landlord of a local hospital, Medical Center Weatherford. The hospital has been leased to a national hospital company and the lease with its options run through 2046. The district does not operate the hospital or employ any staff at the hospital—they only serve as landlord.

H.B. 4663 would allow the district changes the district's enabling legislation giving it authority to employ physicians. This change will allow the district to better serve the many Medicare, Medicaid, and indigent patients of Parker County.

H.B. 4663 amends current law relating to the authority of the Parker County Hospital District to employ physicians.

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 Subchapter B, Chapter 1085, Special District Local Laws Code, by adding Section 1085.0585, as follows:

Sec. 1085.0585. EMPLOYMENT OF PHYSICIANS. (a) Authorizes the board of directors of the Parker County Hospital District (board; district) to employ physicians as the board considers necessary for the efficient operation of the district.

(b) Requires the board to adopt and maintain policies to ensure that a physician employed under this section exercises independent medical judgment when providing care to patients at a district facility. Requires the policies adopted under this subsection to include policies relating to:

- (1) credentialing;
- (2) quality assurance;
- (3) utilization review;
- (4) peer review;

(5) medical decision-making; and

(6) due process.

(c) Provides that a physician employed by the district under this section is subject to the same standards and procedures regarding credentialing, peer review, quality of care, and privileges as a physician not employed by the district.

(d) Requires the district to give equal consideration regarding the issuance of credentials and privileges to physicians employed by the district and physicians not employed by the district.

(e) Requires a physician employed by the district to retain independent medical judgment in providing care to patients at a facility operated by the district and prohibits the physician from being penalized for reasonably advocating for patient care.

(f) Requires the board to appoint a chief medical officer for the district who must be a physician. Requires each physician employed by the district, for all matters relating to the practice of medicine, to ultimately report to the chief medical officer of the district. Requires the chief medical officer to notify the Texas Medical Board (TMB) that the district is employing physicians under this section and that the chief medical officer is the district's designated contact with TMB. Requires the chief medical officer to immediately report to TMB any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(g) Prohibits this section from being construed as altering, voiding, or prohibiting any relationship between a district and a physician, including a contract or arrangement with an approved nonprofit health corporation that is certified under Section 162.001(b) (relating to requiring TMB to approve and certify a certain health organization), Occupations Code, and that holds a certificate of authority issued under Chapter 844 (Certification of Certain Nonprofit Health Corporations), Insurance Code.

(h) Prohibits a contract to employ a physician under this section from including a covenant not to compete on termination of the contract.

(i) Prohibits this section from being construed to authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3, Occupations Code.

SECTION 2. Effective date: September 1, 2019.