

By: Hardcastle

H.B. No. 1877

A BILL TO BE ENTITLED

AN ACT

relating to creating the rural physician relief program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 487, Government Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. RURAL PHYSICIAN RELIEF PROGRAM

Sec. 487.601. DEFINITIONS. In this subchapter:

(1) "Physician" means a person licensed to practice medicine in this state under Subtitle B, Title 3, Occupations Code.

(2) "Relief services" means the temporary coverage of a physician's practice by another physician for a predetermined time during the physician's absence and before the physician's return.

(3) "Rural" means:

(A) a community located in a county with a population not greater than 50,000;

(B) an area designated under state or federal law as:

(i) a health professional shortage area; or

(ii) a medically underserved area; or

(C) a medically underserved community designated by the office.

Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. The office shall create a program to provide affordable relief services to

1 rural physicians practicing in the fields of general family  
2 medicine, general internal medicine, and general pediatrics to  
3 facilitate the ability of those physicians to take time away from  
4 their practice.

5 Sec. 487.603. FEES. (a) The office shall charge a fee for  
6 rural physicians to participate in the program.

7 (b) The fees collected under this section shall be deposited  
8 in a special account in the general revenue fund that may be  
9 appropriated only to the office for administration of this  
10 subchapter.

11 Sec. 487.604. FUNDING. The office may solicit and accept  
12 gifts, grants, donations, and contributions to support the program.

13 Sec. 487.605. RELIEF PHYSICIAN'S EXPENSES. The office shall  
14 pay a physician providing relief under the program using fees  
15 collected by the center.

16 Sec. 487.606. PRIORITY ASSIGNMENT OF RELIEF PHYSICIANS. (a)  
17 The office shall assign physicians to provide relief to a rural area  
18 in accordance with the following priorities:

19 (1) solo practitioners;

20 (2) counties that have fewer than seven residents per  
21 square mile;

22 (3) counties that have been designated under federal  
23 law as a health professional shortage area;

24 (4) counties that do not have a hospital; and

25 (5) counties that have a hospital but do not have a  
26 continuously staffed hospital emergency room.

27 (b) In determining where to assign relief physicians, the

1 office shall consider the number of physicians in the area  
2 available to provide relief services and the distance in that area  
3 to the nearest physician who practices in the same specialty.

4 (c) At the request of the office, residency program  
5 directors may assist the office in coordinating the assignment of  
6 relief physicians.

7 Sec. 487.607. RELIEF PHYSICIAN RECRUITMENT. The office  
8 shall actively recruit physicians to participate in the program as  
9 relief physicians. The office shall concentrate on recruiting  
10 physicians involved in an accredited residency program in general  
11 pediatrics, general internal medicine, and general family  
12 medicine, physicians registered on the office's locum tenens  
13 registry, physicians employed at a medical school, and physicians  
14 working for private locum tenens groups.

15 SECTION 2. Section 487.051, Government Code, is amended to  
16 read as follows:

17 Sec. 487.051. POWERS AND DUTIES. The office shall:

18 (1) develop a rural policy for the state in  
19 consultation with local leaders representing all facets of rural  
20 community life, academic and industry experts, and state elected  
21 and appointed officials with interests in rural communities;

22 (2) work with other state agencies and officials to  
23 improve the results and the cost-effectiveness of state programs  
24 affecting rural communities through coordination of efforts;

25 (3) develop programs to improve the leadership  
26 capacity of rural community leaders;

27 (4) monitor developments that have a substantial

1 effect on rural Texas communities, especially actions of state  
2 government, and compile an annual report describing and evaluating  
3 the condition of rural communities;

4 (5) administer the federal community development  
5 block grant nonentitlement program;

6 (6) administer programs supporting rural health care  
7 as provided by this chapter [~~Subchapters D-H~~];

8 (7) perform research to determine the most beneficial  
9 and cost-effective ways to improve the welfare of rural  
10 communities;

11 (8) ensure that the office qualifies as the state's  
12 office of rural health for the purpose of receiving grants from the  
13 Office of Rural Health Policy of the United States Department of  
14 Health and Human Services under 42 U.S.C. Section 254r; [~~and~~]

15 (9) manage the state's Medicare rural hospital  
16 flexibility program under 42 U.S.C. Section 1395i-4; and

17 (10) seek state and federal money available for  
18 economic development in rural areas for programs under this  
19 chapter.

20 SECTION 3. Section 106.026(b), Health and Safety Code, as  
21 added by Section 2, Chapter 1221, Acts of the 77th Legislature,  
22 Regular Session, 2001, is redesignated as Section 487.056(b),  
23 Government Code, and Section 487.056, Government Code, is amended  
24 to read as follows:

25 Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than  
26 January 1 of each odd-numbered year, the office shall submit a  
27 biennial report to the legislature regarding the activities of the

1 office, the activities of the Rural Foundation, and any findings  
2 and recommendations relating to rural issues.

3 (b) The office [~~center~~] shall obtain information from each  
4 county about indigent health care provided in the county and  
5 information from each university, medical school, rural community,  
6 or rural health care provider that has performed a study relating to  
7 rural health care during the biennium. The office [~~center~~] shall  
8 include the information obtained under this subsection in the  
9 office's [~~center's~~] report to the legislature.

10 SECTION 4. Subchapter H, Chapter 106, Health and Safety  
11 Code, as added by Section 1, Chapter 831, Acts of the 77th  
12 Legislature, Regular Session, 2001, is redesignated as Subchapter  
13 K, Chapter 487, Government Code, and amended to read as follows:

14 SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING  
15 PROGRAM FOR STUDENTS

16 Sec. 487.451 [~~106.251~~]. DEFINITIONS. In this subchapter:

- 17 (1) "Health care professional" means:  
18 (A) an advanced nurse practitioner;  
19 (B) a dentist;  
20 (C) a dental hygienist;  
21 (D) a laboratory technician;  
22 (E) a licensed vocational nurse;  
23 (F) a licensed professional counselor;  
24 (G) a medical radiological technologist;  
25 (H) an occupational therapist;  
26 (I) a pharmacist;  
27 (J) a physical therapist;

- 1 (K) a physician;
  - 2 (L) a physician assistant;
  - 3 (M) a psychologist;
  - 4 (N) a registered nurse;
  - 5 (O) a social worker;
  - 6 (P) a speech-language pathologist;
  - 7 (Q) a veterinarian;
  - 8 (R) a chiropractor; and
  - 9 (S) another appropriate health care professional
- 10 identified by the executive committee.

11 (2) "Program" means the community healthcare  
12 awareness and mentoring program for students established under this  
13 subchapter.

14 (3) "Underserved urban area" means an urban area of  
15 this state with a medically underserved population, as determined  
16 in accordance with criteria adopted by the board by rule,  
17 considering relevant demographic, geographic, and environmental  
18 factors.

19 Sec. 487.452 [~~106.252~~]. COMMUNITY HEALTHCARE AWARENESS AND  
20 MENTORING PROGRAM FOR STUDENTS. (a) The executive committee shall  
21 establish a community healthcare awareness and mentoring program  
22 for students to:

23 (1) identify high school students in rural and  
24 underserved urban areas who are interested in serving those areas  
25 as health care professionals;

26 (2) identify health care professionals in rural and  
27 underserved urban areas to act as positive role models, mentors, or

1 reference resources for the interested high school students;

2 (3) introduce interested high school students to the  
3 spectrum of professional health care careers through activities  
4 such as health care camps and shadowing of health care  
5 professionals;

6 (4) encourage a continued interest in service as  
7 health care professionals in rural and underserved urban areas by  
8 providing mentors and community resources for students  
9 participating in training or educational programs to become health  
10 care professionals; and

11 (5) provide continuing community-based support for  
12 students during the period the students are attending training or  
13 educational programs to become health care professionals,  
14 including summer job opportunities and opportunities to mentor high  
15 school students in the community.

16 (b) In connection with the program, the office [~~center~~]  
17 shall establish and maintain an updated medical resource library  
18 that contains information relating to medical careers. The office  
19 [~~center~~] shall make the library available to school counselors,  
20 students, and parents of students.

21 Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office  
22 [~~center~~] shall administer or contract for the administration of the  
23 program.

24 (b) The office [~~center~~] may solicit and accept gifts,  
25 grants, donations, and contributions to support the program.

26 (c) The office [~~center~~] may administer the program in  
27 cooperation with other public and private entities.

1           (d) The office [~~center~~] shall coordinate the program with  
2 similar programs, including programs relating to workforce  
3 development, scholarships for education, and employment of  
4 students, that are administered by other agencies, such as the  
5 Texas Workforce Commission and local workforce development boards.

6           Sec. 487.454 [~~106.254~~]. GRANTS; ELIGIBILITY. (a) Subject  
7 to available funds, the executive committee shall develop and  
8 implement, as a component of the program, a grant program to support  
9 employment opportunities in rural and underserved urban areas in  
10 this state for students participating in training or educational  
11 programs to become health care professionals.

12           (b) In awarding grants under the program, the executive  
13 committee shall give first priority to grants to training or  
14 educational programs that provide internships to students.

15           (c) To be eligible to receive a grant under the grant  
16 program, a person must:

17                 (1) apply for the grant on a form adopted by the  
18 executive committee;

19                 (2) be enrolled or intend to be enrolled in a training  
20 or educational program to become a health care professional;

21                 (3) commit to practice or work, after licensure as a  
22 health care professional, for at least one year as a health care  
23 professional in a rural or underserved urban area in this state; and

24                 (4) comply fully with any practice or requirements  
25 associated with any scholarship, loan, or other similar benefit  
26 received by the student.

27           (d) As a condition of receiving a grant under the program



1 the student must agree to repay the amount of the grant, plus a  
2 penalty in an amount established by rule of the executive committee  
3 not to exceed two times the amount of the grant, if the student  
4 becomes licensed as a health care professional and fails to  
5 practice or work for at least one year as a health care professional  
6 in a rural or underserved urban area in this state.

7 SECTION 5. Subchapter H, Chapter 106, Health and Safety  
8 Code, as added by Section 1, Chapter 1112, Acts of the 77th  
9 Legislature, Regular Session, 2001, is redesignated as Subchapter  
10 L, Chapter 487, Government Code, and amended to read as follows:

11 SUBCHAPTER L [~~H~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM

12 Sec. 487.501 [~~106.251~~]. DEFINITIONS. In this subchapter:

13 (1) "Rural community" means a rural area as defined by  
14 the office [~~center~~].

15 (2) "Medical school" has the meaning assigned by  
16 Section 61.501, Education Code.

17 Sec. 487.502 [~~106.252~~]. GIFTS AND GRANTS. The office  
18 [~~center~~] may accept gifts, grants, and donations to support the  
19 rural physician recruitment program.

20 Sec. 487.503 [~~106.253~~]. RURAL PHYSICIAN RECRUITMENT  
21 PROGRAM. (a) The office [~~center~~] shall establish a process in  
22 consultation with the Texas Higher Education Coordinating Board for  
23 selecting a Texas medical school to recruit students from rural  
24 communities and encourage them to return to rural communities to  
25 practice medicine.

26 (b) The Texas medical school selected by the office [~~center~~]  
27 shall:

1           (1) encourage high school and college students from  
2 rural communities to pursue a career in medicine;

3           (2) develop a screening process to identify rural  
4 students most likely to pursue a career in medicine;

5           (3) establish a rural medicine curriculum;

6           (4) establish a mentoring program for rural students;

7           (5) provide rural students with information about  
8 financial aid resources available for postsecondary education; and

9           (6) establish a rural practice incentive program.

10           SECTION 6. Subchapter H, Chapter 106, Health and Safety  
11 Code, as added by Section 2, Chapter 435, Acts of the 77th  
12 Legislature, Regular Session, 2001, is redesignated as Subchapter  
13 M, Chapter 487, Government Code, and amended to read as follows:

14           SUBCHAPTER M [~~H~~]. RURAL COMMUNITIES HEALTH CARE INVESTMENT PROGRAM

15           Sec. 487.551 [~~106.301~~]. DEFINITIONS. In this subchapter:

16           (1) "Health professional" means a person other than a  
17 physician who holds a license, certificate, registration, permit,  
18 or other form of authorization required by law or a state agency  
19 rule that must be obtained by an individual to practice in a health  
20 care profession.

21           (2) "Medically underserved community" means a  
22 community that:

23                   (A) is located in a county with a population of  
24 50,000 or less;

25                   (B) has been designated under state or federal  
26 law as:

27                           (i) a health professional shortage area; or

1 (ii) a medically underserved area; or

2 (C) has been designated as a medically  
3 underserved community by the office [~~center~~].

4 Sec. 487.552 [~~106.302~~]. ADVISORY PANEL. The office  
5 [~~center~~] shall appoint an advisory panel to assist in the office's  
6 [~~center's~~] duties under this subchapter. The advisory panel must  
7 consist of at least:

8 (1) one representative from the Texas Higher Education  
9 Coordinating Board;

10 (2) one representative from the institutions of higher  
11 education having degree programs for the health professions  
12 participating in the programs under this subchapter;

13 (3) one representative from a hospital in a medically  
14 underserved community;

15 (4) one physician practicing in a medically  
16 underserved community;

17 (5) one health professional, other than a physician,  
18 practicing in a medically underserved community; and

19 (6) one public representative who resides in a  
20 medically underserved community.

21 Sec. 487.553 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The  
22 executive committee shall establish a program in the office  
23 [~~center~~] to assist communities in recruiting health professionals  
24 to practice in medically underserved communities by providing loan  
25 reimbursement for health professionals who serve in those  
26 communities.

27 Sec. 487.554 [~~106.304~~]. STIPEND PROGRAM. (a) The executive

1 committee shall establish a program in the office [~~center~~] to  
2 assist communities in recruiting health professionals to practice  
3 in medically underserved communities by providing a stipend to  
4 health professionals who agree to serve in those communities.

5 (b) A stipend awarded under this section shall be paid in  
6 periodic installments.

7 (c) A health professional who participates in the program  
8 established under this section must establish an office and  
9 residency in the medically underserved area before receiving any  
10 portion of the stipend.

11 Sec. 487.555 [~~106.305~~]. CONTRACT REQUIRED. (a) A health  
12 professional may receive assistance under this subchapter only if  
13 the health professional signs a contract agreeing to provide health  
14 care services in a medically underserved community.

15 (b) A student in a degree program preparing to become a  
16 health professional may contract with the office [~~center~~] for the  
17 loan reimbursement program under Section 487.553 [~~106.303~~] before  
18 obtaining the license required to become a health professional.

19 (c) The office [~~center~~] may contract with a health  
20 professional for part-time services under the stipend program  
21 established under Section 487.554 [~~106.304~~].

22 (d) A health professional who participates in any loan  
23 reimbursement program is not eligible for a stipend under Section  
24 487.554 [~~106.304~~].

25 (e) A contract under this section must provide that a health  
26 professional who does not provide the required services to the  
27 community or provides those services for less than the required

1 time is personally liable to the state for:

2 (1) the total amount of assistance the health  
3 professional received from the office [~~center~~] and the medically  
4 underserved community;

5 (2) interest on the amount under Subdivision (1) at a  
6 rate set by the executive committee;

7 (3) the state's reasonable expenses incurred in  
8 obtaining payment, including reasonable attorney's fees; and

9 (4) a penalty as established by the executive  
10 committee by rule to help ensure compliance with the contract.

11 (f) Amounts recovered under Subsection (e) shall be  
12 deposited in the permanent endowment fund for the rural communities  
13 health care investment program under Section 487.558 [~~106.308~~].

14 Sec. 487.556 [~~106.306~~]. POWERS AND DUTIES OF OFFICE  
15 [~~CENTER~~]. (a) The executive committee shall adopt rules necessary  
16 for the administration of this subchapter, including guidelines  
17 for:

18 (1) developing contracts under which loan  
19 reimbursement or stipend recipients provide services to qualifying  
20 communities;

21 (2) identifying the duties of the state, state agency,  
22 loan reimbursement or stipend recipient, and medically underserved  
23 community under the loan reimbursement or stipend contract;

24 (3) determining a rate of interest to be charged under  
25 Section 487.555(e)(2) [~~106.305(e)(2)~~];

26 (4) ensuring that a loan reimbursement or stipend  
27 recipient provides access to health services to participants in

1 government-funded health benefits programs in qualifying  
2 communities;

3 (5) encouraging the use of telecommunications or  
4 telemedicine, as appropriate;

5 (6) prioritizing the provision of loan reimbursements  
6 and stipends to health professionals who are not eligible for any  
7 other state loan forgiveness, loan repayment, or stipend program;

8 (7) prioritizing the provision of loan reimbursements  
9 and stipends to health professionals who are graduates of health  
10 professional degree programs in this state;

11 (8) encouraging a medically underserved community  
12 served by a loan reimbursement or stipend recipient to contribute  
13 to the cost of the loan reimbursement or stipend when making a  
14 contribution is feasible; and

15 (9) requiring a medically underserved community  
16 served by a loan reimbursement or stipend recipient to assist the  
17 office [~~center~~] in contracting with the loan reimbursement or  
18 stipend recipient who will serve that community.

19 (b) The executive committee by rule may designate areas of  
20 the state as medically underserved communities.

21 (c) The executive committee shall make reasonable efforts  
22 to contract with health professionals from a variety of different  
23 health professions.

24 Sec. 487.557 [~~106.307~~]. USE OF TELECOMMUNICATION AND  
25 TELEMEDICINE. A health professional who participates in a program  
26 under this subchapter may not use telecommunication technology,  
27 including telemedicine, as the sole or primary method of providing

1 services and may not use telecommunication technology as a  
2 substitute for providing health care services in person. A health  
3 professional who participates in a program under this subchapter  
4 may use telecommunication technology only to supplement or enhance  
5 the health care services provided by the health professional.

6 Sec. 487.558 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The  
7 permanent endowment fund for the rural communities health care  
8 investment program is a special fund in the treasury outside the  
9 general revenue fund.

10 (b) The fund is composed of:

11 (1) money transferred to the fund at the direction of  
12 the legislature;

13 (2) gifts and grants contributed to the fund;

14 (3) the returns received from investment of money in  
15 the fund; and

16 (4) amounts recovered under Section 487.555(e)  
17 [~~106.305(e)~~].

18 Sec. 487.559 [~~106.309~~]. ADMINISTRATION AND USE OF FUND. (a)  
19 The office [~~center~~] may administer the permanent endowment fund for  
20 the rural communities health care investment program. If the  
21 office [~~center~~] elects not to administer the fund, the comptroller  
22 shall administer the fund.

23 (b) The administrator of the fund shall invest the fund in a  
24 manner intended to preserve the purchasing power of the fund's  
25 assets and the fund's annual distributions. The administrator may  
26 acquire, exchange, sell, supervise, manage, or retain, through  
27 procedures and subject to restrictions the administrator considers

1 appropriate, any kind of investment of the fund's assets that  
2 prudent investors, exercising reasonable care, skill, and caution,  
3 would acquire or retain in light of the purposes, terms,  
4 distribution requirements, and other circumstances of the fund then  
5 prevailing, taking into consideration the investment of all the  
6 assets of the fund rather than a single investment.

7 (c) The comptroller or the office [~~center~~] may solicit and  
8 accept gifts and grants to the fund.

9 (d) Annual distributions for the fund shall be determined by  
10 the investment and distribution policy adopted by the administrator  
11 of the fund for the fund's assets.

12 (e) Except as provided by Subsection (f), money in the fund  
13 may not be used for any purpose.

14 (f) The amount available for distribution from the fund,  
15 including any gift or grant, may be appropriated only for providing  
16 stipends and loan reimbursement under the programs authorized by  
17 this subchapter and to pay the expenses of managing the fund. The  
18 expenditure of a gift or grant is subject to any limitation or  
19 requirement placed on the gift or grant by the donor or granting  
20 entity.

21 (g) Sections 403.095 and 404.071, Government Code, do not  
22 apply to the fund. Section 404.094(d), Government Code, applies to  
23 the fund.

24 Sec. 487.560 [~~406.310~~]. REPORTING REQUIREMENT. The office  
25 [~~center~~] shall provide a report on the permanent endowment fund for  
26 the rural communities health care investment program to the  
27 Legislative Budget Board not later than November 1 of each year. The



1 report must include the total amount of money the office [~~center~~]  
2 received from the fund, the purpose for which the money was used,  
3 and any additional information that may be requested by the  
4 Legislative Budget Board.

5 SECTION 7. Section 38.011(j), Education Code, as added by  
6 Section 1, Chapter 1418, Acts of the 76th Legislature, Regular  
7 Session, 1999, as amended by Section 4, Chapter 1424, Acts of the  
8 77th Legislature, Regular Session, 2001, and as amended and  
9 redesignated as Section 38.060(a), Education Code, by Section  
10 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session,  
11 2001, is reenacted to read as follows:

12 (a) This section applies only to a school-based health  
13 center serving an area that:

14 (1) is located in a county with a population not  
15 greater than 50,000; or

16 (2) has been designated under state or federal law as:

17 (A) a health professional shortage area;

18 (B) a medically underserved area; or

19 (C) a medically underserved community by the  
20 Office of Rural Community Affairs.

21 SECTION 8. Section 61.0899, Education Code, is amended to  
22 read as follows:

23 Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN  
24 REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in  
25 cooperation with the Office of Rural Community Affairs [~~Center for~~  
26 ~~Rural Health Initiatives~~] and the office's [~~center's~~] advisory  
27 panel established under Section 487.552 [~~106.302~~], Government

1 ~~[Health and Safety]~~ Code, ensure that the board seeks to obtain the  
2 maximum amount of funds from any source, including federal funds,  
3 to support programs to provide student loan reimbursement or  
4 stipends for graduates of degree programs in this state who  
5 practice or agree to practice in a medically underserved community.

6 SECTION 9. Section 110.001, Health and Safety Code, as  
7 added by Chapter 1221, Acts of the 77th Legislature, Regular  
8 Session, 2001, is amended to read as follows:

9 Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of  
10 Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall  
11 establish the Rural Foundation as a nonprofit corporation that  
12 complies with the Texas Non-Profit Corporation Act (Article  
13 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as  
14 otherwise provided by this chapter, and qualifies as an  
15 organization exempt from federal income tax under Section  
16 501(c)(3), Internal Revenue Code of 1986, as amended.

17 (b) The Office of Rural Community Affairs [~~Center for Rural~~  
18 ~~Health Initiatives~~] shall ensure that the Rural Foundation operates  
19 independently of any state agency or political subdivision of the  
20 state.

21 SECTION 10. Section 110.002(c), Health and Safety Code, as  
22 added by Chapter 1221, Acts of the 77th Legislature, Regular  
23 Session, 2001, is amended to read as follows:

24 (c) The Rural Foundation shall develop and implement  
25 policies and procedures that clearly separate the responsibilities  
26 and activities of the foundation from the Office of Rural Community  
27 Affairs [~~Center for Rural Health Initiatives~~].

1 SECTION 11. Section 110.003(a), Health and Safety Code, as  
2 added by Chapter 1221, Acts of the 77th Legislature, Regular  
3 Session, 2001, is amended to read as follows:

4 (a) The Rural Foundation is governed by a board of five  
5 directors appointed by the executive committee of the Office of  
6 Rural Community Affairs [~~Center for Rural Health Initiatives~~] from  
7 individuals recommended by the executive director of the Office of  
8 Rural Community Affairs [~~Center for Rural Health Initiatives~~].

9 SECTION 12. Section 110.005(c), Health and Safety Code, as  
10 added by Chapter 1221, Acts of the 77th Legislature, Regular  
11 Session, 2001, is amended to read as follows:

12 (c) If the executive director of the Office of Rural  
13 Community Affairs [~~Center for Rural Health Initiatives~~] has  
14 knowledge that a potential ground for removal exists, the executive  
15 director shall notify the presiding officer of the board of  
16 directors of the Rural Foundation of the potential ground. The  
17 presiding officer shall then notify the governor and the attorney  
18 general that a potential ground for removal exists. If the  
19 potential ground for removal involves the presiding officer, the  
20 executive director shall notify the next highest ranking officer of  
21 the board of directors, who shall then notify the governor and the  
22 attorney general that a potential ground for removal exists.

23 SECTION 13. Section 110.010, Health and Safety Code, as  
24 added by Chapter 1221, Acts of the 77th Legislature, Regular  
25 Session, 2001, is amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural  
27 Foundation and the Office of Rural Community Affairs [~~Center for~~

1 ~~Rural Health Initiatives]~~ shall enter into a memorandum of  
2 understanding that:

3 (1) requires the board of directors and staff of the  
4 foundation to report to the executive director and executive  
5 committee of the Office of Rural Community Affairs [~~Center for~~  
6 ~~Rural Health Initiatives~~];

7 (2) allows the Office of Rural Community Affairs  
8 [~~Center for Rural Health Initiatives~~] to provide staff functions to  
9 the foundation;

10 (3) allows the Office of Rural Community Affairs  
11 [~~Center for Rural Health Initiatives~~] to expend funds on the  
12 foundation; and

13 (4) outlines the financial contributions to be made to  
14 the foundation from funds obtained from grants and other sources.

15 SECTION 14. Section 110.011(a), Health and Safety Code, as  
16 added by Chapter 1221, Acts of the 77th Legislature, Regular  
17 Session, 2001, is amended to read as follows:

18 (a) The Rural Foundation shall maintain financial records  
19 and reports independently from those of the Office of Rural  
20 Community Affairs [~~Center for Rural Health Initiatives~~].

21 SECTION 15. Section 110.012, Health and Safety Code, as  
22 added by Chapter 1221, Acts of the 77th Legislature, Regular  
23 Session, 2001, is amended to read as follows:

24 Sec. 110.012. REPORT TO OFFICE OF RURAL COMMUNITY  
25 AFFAIRS [~~CENTER FOR RURAL HEALTH INITIATIVES~~]. Not later than the  
26 60th day after the last day of the fiscal year, the Rural Foundation  
27 shall submit to the Office of Rural Community Affairs [~~Center for~~

1 ~~Rural Health Initiatives]~~ a report itemizing all income and  
2 expenditures and describing all activities of the foundation during  
3 the preceding fiscal year.

4 SECTION 16. Section 155.1025(a), Occupations Code, is  
5 amended to read as follows:

6 (a) The board shall adopt rules for expediting any  
7 application for a license under this subtitle made by a person who  
8 is licensed to practice medicine in another state or country and who  
9 submits an affidavit with the application stating that:

10 (1) the applicant intends to practice in a rural  
11 community, as determined by the Office of Rural Community Affairs  
12 [~~Center for Rural Health Initiatives~~]; or

13 (2) the applicant intends to:

14 (A) accept employment with an entity located in a  
15 medically underserved area or health professional shortage area,  
16 designated by the United States Department of Health and Human  
17 Services, and affiliated with or participating in a public  
18 university-sponsored graduate medical education program;

19 (B) serve on the faculty of the public  
20 university-sponsored graduate medical education program; and

21 (C) engage in the practice of medicine and  
22 teaching in a specialty field of medicine that is necessary to  
23 obtain or maintain the accreditation of the public  
24 university-sponsored graduate medical education program by the  
25 Accreditation Council for Graduate Medical Education.

26 SECTION 17. Section 531.02172, Government Code, as amended  
27 by Chapters 661 and 959, Acts of the 77th Legislature, Regular

1 Session, 2001, is reenacted and amended to read as follows:

2           Sec. 531.02172. TELEMEDICINE ADVISORY COMMITTEE. (a) The  
3 commissioner shall establish an advisory committee to assist the  
4 commission in:

5                   (1) evaluating policies for telemedical consultations  
6 under Section 531.0217;

7                   (2) evaluating policies for telemedicine medical  
8 services or telehealth services pilot programs established under  
9 Section 531.02171;

10                   (3) ensuring the efficient and consistent development  
11 and use of telecommunication technology for telemedical  
12 consultations and telemedicine medical services or telehealth  
13 services reimbursed under government-funded health programs;

14                   (4) monitoring the type of programs receiving  
15 reimbursement under Sections 531.0217 and 531.02171; and

16                   (5) coordinating the activities of state agencies  
17 concerned with the use of telemedical consultations and  
18 telemedicine medical services or telehealth services.

19           (b) The advisory committee must include:

20                   (1) representatives of health and human services  
21 agencies and other state agencies concerned with the use of  
22 telemedical consultations in the Medicaid program and the state  
23 child health plan program, including representatives of:

24                           (A) the commission;

25                           (B) the Texas Department of Health;

26                           (C) the Office of Rural Community Affairs [~~Center~~  
27 ~~for Rural Health Initiatives~~];

1 (D) the Telecommunications Infrastructure Fund  
2 Board;

3 (E) the Texas Department of Insurance;

4 (F) the Texas State Board of Medical Examiners;

5 (G) the Board of Nurse Examiners; and

6 (H) the Texas State Board of Pharmacy;

7 (2) representatives of health science centers in this  
8 state;

9 (3) experts on telemedicine, telemedical  
10 consultation, and telemedicine medical services or telehealth  
11 services; and

12 (4) representatives of consumers of health services  
13 provided through telemedical consultations and telemedicine  
14 medical services or telehealth services.

15 (c) A member of the advisory committee serves at the will of  
16 the commissioner.

17 SECTION 18. The following provisions are repealed:

18 (1) Section 106.025(a), Health and Safety Code, as  
19 amended by Section 1, Chapter 435, Acts of the 77th Legislature,  
20 Regular Session, 2001;

21 (2) Section 106.029, Health and Safety Code, as added  
22 by Section 1, Chapter 1113, Acts of the 77th Legislature, Regular  
23 Session, 2001; and

24 (3) Section 106.043(b), Health and Safety Code, as  
25 amended by Section 10, Chapter 874, Acts of the 77th Legislature,  
26 Regular Session, 2001.

27 SECTION 19. This Act takes effect September 1, 2003.