

1-1 By: Hardcastle, Christian, Hughes H.B. No. 1877
1-2 (Senate Sponsor - Madla)
1-3 (In the Senate - Received from the House May 1, 2003;
1-4 May 6, 2003, read first time and referred to Committee on
1-5 Intergovernmental Relations; May 16, 2003, reported favorably by
1-6 the following vote: Yeas 4, Nays 0; May 16, 2003, sent to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to creating the rural physician relief program.
1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-11 SECTION 1. Chapter 487, Government Code, is amended by
1-12 adding Subchapter N to read as follows:

1-13 SUBCHAPTER N. RURAL PHYSICIAN RELIEF PROGRAM
1-14 Sec. 487.601. DEFINITIONS. In this subchapter:

1-15 (1) "Physician" means a person licensed to practice
1-16 medicine in this state under Subtitle B, Title 3, Occupations Code.
1-17 (2) "Relief services" means the temporary coverage of
1-18 a physician's practice by another physician for a predetermined
1-19 time during the physician's absence and before the physician's
1-20 return.

1-21 (3) "Rural" means:
1-22 (A) a community located in a county with a
1-23 population not greater than 50,000;
1-24 (B) an area designated under state or federal law
1-25 as:
1-26 (i) a health professional shortage area; or
1-27 (ii) a medically underserved area; or
1-28 (C) a medically underserved community designated
1-29 by the office.

1-30 Sec. 487.602. RURAL PHYSICIAN RELIEF PROGRAM. The office
1-31 shall create a program to provide affordable relief services to
1-32 rural physicians practicing in the fields of general family
1-33 medicine, general internal medicine, and general pediatrics to
1-34 facilitate the ability of those physicians to take time away from
1-35 their practice.

1-36 Sec. 487.603. FEES. (a) The office shall charge a fee for
1-37 rural physicians to participate in the program.

1-38 (b) The fees collected under this section shall be deposited
1-39 in a special account in the general revenue fund that may be
1-40 appropriated only to the office for administration of this
1-41 subchapter.

1-42 Sec. 487.604. FUNDING. The office may solicit and accept
1-43 gifts, grants, donations, and contributions to support the program.

1-44 Sec. 487.605. RELIEF PHYSICIAN'S EXPENSES. The office
1-45 shall pay a physician providing relief under the program using fees
1-46 collected by the center.

1-47 Sec. 487.606. PRIORITY ASSIGNMENT OF RELIEF PHYSICIANS.
1-48 (a) The office shall assign physicians to provide relief to a rural
1-49 area in accordance with the following priorities:

- 1-50 (1) solo practitioners;
1-51 (2) counties that have fewer than seven residents per
1-52 square mile;
1-53 (3) counties that have been designated under federal
1-54 law as a health professional shortage area;
1-55 (4) counties that do not have a hospital; and
1-56 (5) counties that have a hospital but do not have a
1-57 continuously staffed hospital emergency room.

1-58 (b) In determining where to assign relief physicians, the
1-59 office shall consider the number of physicians in the area
1-60 available to provide relief services and the distance in that area
1-61 to the nearest physician who practices in the same specialty.

1-62 (c) At the request of the office, residency program
1-63 directors may assist the office in coordinating the assignment of
1-64 relief physicians.

2-1 Sec. 487.607. RELIEF PHYSICIAN RECRUITMENT. The office
 2-2 shall actively recruit physicians to participate in the program as
 2-3 relief physicians. The office shall concentrate on recruiting
 2-4 physicians involved in an accredited residency program in general
 2-5 pediatrics, general internal medicine, and general family
 2-6 medicine, physicians registered on the office's locum tenens
 2-7 registry, physicians employed at a medical school, and physicians
 2-8 working for private locum tenens groups.

2-9 Sec. 487.608. ADVISORY COMMITTEE. (a) The rural physician
 2-10 relief advisory committee is composed of the following members
 2-11 appointed by the executive committee:

2-12 (1) a physician who practices in the area of general
 2-13 family medicine in a rural county;

2-14 (2) a physician who practices in the area of general
 2-15 internal medicine in a rural county;

2-16 (3) a physician who practices in the area of general
 2-17 pediatrics in a rural county;

2-18 (4) a representative from an accredited Texas medical
 2-19 school;

2-20 (5) a program director from an accredited primary care
 2-21 residency program;

2-22 (6) a representative from the Texas Higher Education
 2-23 Coordinating Board; and

2-24 (7) a representative from the Texas State Board of
 2-25 Medical Examiners.

2-26 (b) The advisory committee shall assist the office in
 2-27 administering the program.

2-28 SECTION 2. Section 487.051, Government Code, is amended to
 2-29 read as follows:

2-30 Sec. 487.051. POWERS AND DUTIES. The office shall:

2-31 (1) develop a rural policy for the state in
 2-32 consultation with local leaders representing all facets of rural
 2-33 community life, academic and industry experts, and state elected
 2-34 and appointed officials with interests in rural communities;

2-35 (2) work with other state agencies and officials to
 2-36 improve the results and the cost-effectiveness of state programs
 2-37 affecting rural communities through coordination of efforts;

2-38 (3) develop programs to improve the leadership
 2-39 capacity of rural community leaders;

2-40 (4) monitor developments that have a substantial
 2-41 effect on rural Texas communities, especially actions of state
 2-42 government, and compile an annual report describing and evaluating
 2-43 the condition of rural communities;

2-44 (5) administer the federal community development
 2-45 block grant nonentitlement program;

2-46 (6) administer programs supporting rural health care
 2-47 as provided by this chapter [~~Subchapters D-H~~];

2-48 (7) perform research to determine the most beneficial
 2-49 and cost-effective ways to improve the welfare of rural
 2-50 communities;

2-51 (8) ensure that the office qualifies as the state's
 2-52 office of rural health for the purpose of receiving grants from the
 2-53 Office of Rural Health Policy of the United States Department of
 2-54 Health and Human Services under 42 U.S.C. Section 254r; [~~and~~]

2-55 (9) manage the state's Medicare rural hospital
 2-56 flexibility program under 42 U.S.C. Section 1395i-4; and

2-57 (10) seek state and federal money available for
 2-58 economic development in rural areas for programs under this
 2-59 chapter.

2-60 SECTION 3. Section 106.026(b), Health and Safety Code, as
 2-61 added by Section 2, Chapter 1221, Acts of the 77th Legislature,
 2-62 Regular Session, 2001, is redesignated as Section 487.056(b),
 2-63 Government Code, and Section 487.056, Government Code, is amended
 2-64 to read as follows:

2-65 Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than
 2-66 January 1 of each odd-numbered year, the office shall submit a
 2-67 biennial report to the legislature regarding the activities of the
 2-68 office, the activities of the Rural Foundation, and any findings
 2-69 and recommendations relating to rural issues.

3-1 (b) The office [~~center~~] shall obtain information from each
3-2 county about indigent health care provided in the county and
3-3 information from each university, medical school, rural community,
3-4 or rural health care provider that has performed a study relating to
3-5 rural health care during the biennium. The office [~~center~~] shall
3-6 include the information obtained under this subsection in the
3-7 office's [~~center's~~] report to the legislature.

3-8 SECTION 4. Subchapter H, Chapter 106, Health and Safety
3-9 Code, as added by Section 1, Chapter 831, Acts of the 77th
3-10 Legislature, Regular Session, 2001, is redesignated as Subchapter
3-11 K, Chapter 487, Government Code, and amended to read as follows:

3-12 SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING
3-13 PROGRAM FOR STUDENTS

3-14 Sec. 487.451 [~~106.251~~]. DEFINITIONS. In this subchapter:

3-15 (1) "Health care professional" means:

- 3-16 (A) an advanced nurse practitioner;
- 3-17 (B) a dentist;
- 3-18 (C) a dental hygienist;
- 3-19 (D) a laboratory technician;
- 3-20 (E) a licensed vocational nurse;
- 3-21 (F) a licensed professional counselor;
- 3-22 (G) a medical radiological technologist;
- 3-23 (H) an occupational therapist;
- 3-24 (I) a pharmacist;
- 3-25 (J) a physical therapist;
- 3-26 (K) a physician;
- 3-27 (L) a physician assistant;
- 3-28 (M) a psychologist;
- 3-29 (N) a registered nurse;
- 3-30 (O) a social worker;
- 3-31 (P) a speech-language pathologist;
- 3-32 (Q) a veterinarian;
- 3-33 (R) a chiropractor; and
- 3-34 (S) another appropriate health care professional

3-35 identified by the executive committee.

3-36 (2) "Program" means the community healthcare
3-37 awareness and mentoring program for students established under this
3-38 subchapter.

3-39 (3) "Underserved urban area" means an urban area of
3-40 this state with a medically underserved population, as determined
3-41 in accordance with criteria adopted by the board by rule,
3-42 considering relevant demographic, geographic, and environmental
3-43 factors.

3-44 Sec. 487.452 [~~106.252~~]. COMMUNITY HEALTHCARE AWARENESS AND
3-45 MENTORING PROGRAM FOR STUDENTS. (a) The executive committee, in
3-46 collaboration with Area Health Education Center Programs, shall
3-47 establish a community healthcare awareness and mentoring program
3-48 for students to:

3-49 (1) identify high school students in rural and
3-50 underserved urban areas who are interested in serving those areas
3-51 as health care professionals;

3-52 (2) identify health care professionals in rural and
3-53 underserved urban areas to act as positive role models, mentors, or
3-54 reference resources for the interested high school students;

3-55 (3) introduce interested high school students to the
3-56 spectrum of professional health care careers through activities
3-57 such as health care camps and shadowing of health care
3-58 professionals;

3-59 (4) encourage a continued interest in service as
3-60 health care professionals in rural and underserved urban areas by
3-61 providing mentors and community resources for students
3-62 participating in training or educational programs to become health
3-63 care professionals; and

3-64 (5) provide continuing community-based support for
3-65 students during the period the students are attending training or
3-66 educational programs to become health care professionals,
3-67 including summer job opportunities and opportunities to mentor high
3-68 school students in the community.

3-69 (b) In connection with the program, the office [~~center~~]

4-1 shall establish and maintain an updated medical resource library
 4-2 that contains information relating to medical careers. The office
 4-3 [~~center~~] shall make the library available to school counselors,
 4-4 students, and parents of students.

4-5 Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office
 4-6 [~~center~~] shall administer or contract for the administration of the
 4-7 program.

4-8 (b) The office [~~center~~] may solicit and accept gifts,
 4-9 grants, donations, and contributions to support the program.

4-10 (c) The office [~~center~~] may administer the program in
 4-11 cooperation with other public and private entities.

4-12 (d) The office, in consultation with Area Health Education
 4-13 Center Programs, [~~center~~] shall coordinate the program with similar
 4-14 programs, including programs relating to workforce development,
 4-15 scholarships for education, and employment of students, that are
 4-16 administered by other agencies, such as the Texas Workforce
 4-17 Commission and local workforce development boards.

4-18 Sec. 487.454 [~~106.254~~]. GRANTS; ELIGIBILITY. (a) Subject
 4-19 to available funds, the executive committee shall develop and
 4-20 implement, as a component of the program, a grant program to support
 4-21 employment opportunities in rural and underserved urban areas in
 4-22 this state for students participating in training or educational
 4-23 programs to become health care professionals.

4-24 (b) In awarding grants under the program, the executive
 4-25 committee shall give first priority to grants to training or
 4-26 educational programs that provide internships to students.

4-27 (c) To be eligible to receive a grant under the grant
 4-28 program, a person must:

4-29 (1) apply for the grant on a form adopted by the
 4-30 executive committee;

4-31 (2) be enrolled or intend to be enrolled in a training
 4-32 or educational program to become a health care professional;

4-33 (3) commit to practice or work, after licensure as a
 4-34 health care professional, for at least one year as a health care
 4-35 professional in a rural or underserved urban area in this state; and

4-36 (4) comply fully with any practice or requirements
 4-37 associated with any scholarship, loan, or other similar benefit
 4-38 received by the student.

4-39 (d) As a condition of receiving a grant under the program
 4-40 the student must agree to repay the amount of the grant, plus a
 4-41 penalty in an amount established by rule of the executive committee
 4-42 not to exceed two times the amount of the grant, if the student
 4-43 becomes licensed as a health care professional and fails to
 4-44 practice or work for at least one year as a health care professional
 4-45 in a rural or underserved urban area in this state.

4-46 SECTION 5. Subchapter H, Chapter 106, Health and Safety
 4-47 Code, as added by Section 1, Chapter 1112, Acts of the 77th
 4-48 Legislature, Regular Session, 2001, is redesignated as Subchapter
 4-49 L, Chapter 487, Government Code, and amended to read as follows:

4-50 SUBCHAPTER L [~~H~~]. RURAL PHYSICIAN RECRUITMENT PROGRAM

4-51 Sec. 487.501 [~~106.251~~]. DEFINITIONS. In this subchapter:

4-52 (1) "Rural community" means a rural area as defined by
 4-53 the office [~~center~~].

4-54 (2) "Medical school" has the meaning assigned by
 4-55 Section 61.501, Education Code.

4-56 Sec. 487.502 [~~106.252~~]. GIFTS AND GRANTS. The office
 4-57 [~~center~~] may accept gifts, grants, and donations to support the
 4-58 rural physician recruitment program.

4-59 Sec. 487.503 [~~106.253~~]. RURAL PHYSICIAN RECRUITMENT
 4-60 PROGRAM. (a) The office [~~center~~] shall establish a process in
 4-61 consultation with the Texas Higher Education Coordinating Board for
 4-62 selecting [~~a~~] Texas medical schools [~~school~~] to recruit students
 4-63 from rural communities and encourage them to return to rural
 4-64 communities to practice medicine.

4-65 (b) The Texas medical schools [~~school~~] selected [~~by the~~
 4-66 ~~center~~] shall:

4-67 (1) encourage high school and college students from
 4-68 rural communities to pursue a career in medicine;

4-69 (2) develop a screening process to identify rural

5-1 students most likely to pursue a career in medicine;
 5-2 (3) establish a rural medicine curriculum;
 5-3 (4) establish a mentoring program for rural students;
 5-4 (5) provide rural students with information about
 5-5 financial aid resources available for postsecondary education; and
 5-6 (6) establish a rural practice incentive program.

5-7 SECTION 6. Subchapter H, Chapter 106, Health and Safety
 5-8 Code, as added by Section 2, Chapter 435, Acts of the 77th
 5-9 Legislature, Regular Session, 2001, is redesignated as Subchapter
 5-10 M, Chapter 487, Government Code, and amended to read as follows:

5-11 SUBCHAPTER M [~~H~~]. RURAL COMMUNITIES HEALTH CARE INVESTMENT
 5-12 PROGRAM

5-13 Sec. 487.551 [~~106.301~~]. DEFINITIONS. In this subchapter:

5-14 (1) "Health professional" means a person other than a
 5-15 physician who holds a license, certificate, registration, permit,
 5-16 or other form of authorization required by law or a state agency
 5-17 rule that must be obtained by an individual to practice in a health
 5-18 care profession.

5-19 (2) "Medically underserved community" means a
 5-20 community that:

5-21 (A) is located in a county with a population of
 5-22 50,000 or less;

5-23 (B) has been designated under state or federal
 5-24 law as:

5-25 (i) a health professional shortage area; or

5-26 (ii) a medically underserved area; or

5-27 (C) has been designated as a medically
 5-28 underserved community by the office [~~center~~].

5-29 Sec. 487.552 [~~106.302~~]. ADVISORY PANEL. The office
 5-30 [~~center~~] shall appoint an advisory panel to assist in the office's
 5-31 [~~center's~~] duties under this subchapter. The advisory panel must
 5-32 consist of at least:

5-33 (1) one representative from the Texas Higher Education
 5-34 Coordinating Board;

5-35 (2) one representative from the institutions of higher
 5-36 education having degree programs for the health professions
 5-37 participating in the programs under this subchapter;

5-38 (3) one representative from a hospital in a medically
 5-39 underserved community;

5-40 (4) one physician practicing in a medically
 5-41 underserved community;

5-42 (5) one health professional, other than a physician,
 5-43 practicing in a medically underserved community; and

5-44 (6) one public representative who resides in a
 5-45 medically underserved community.

5-46 Sec. 487.553 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The
 5-47 executive committee shall establish a program in the office
 5-48 [~~center~~] to assist communities in recruiting health professionals
 5-49 to practice in medically underserved communities by providing loan
 5-50 reimbursement for health professionals who serve in those
 5-51 communities.

5-52 Sec. 487.554 [~~106.304~~]. STIPEND PROGRAM. (a) The
 5-53 executive committee shall establish a program in the office
 5-54 [~~center~~] to assist communities in recruiting health professionals
 5-55 to practice in medically underserved communities by providing a
 5-56 stipend to health professionals who agree to serve in those
 5-57 communities.

5-58 (b) A stipend awarded under this section shall be paid in
 5-59 periodic installments.

5-60 (c) A health professional who participates in the program
 5-61 established under this section must establish an office and
 5-62 residency in the medically underserved area before receiving any
 5-63 portion of the stipend.

5-64 Sec. 487.555 [~~106.305~~]. CONTRACT REQUIRED. (a) A health
 5-65 professional may receive assistance under this subchapter only if
 5-66 the health professional signs a contract agreeing to provide health
 5-67 care services in a medically underserved community.

5-68 (b) A student in a degree program preparing to become a
 5-69 health professional may contract with the office [~~center~~] for the

6-1 loan reimbursement program under Section 487.553 [~~106.303~~] before
 6-2 obtaining the license required to become a health professional.

6-3 (c) The office [~~center~~] may contract with a health
 6-4 professional for part-time services under the stipend program
 6-5 established under Section 487.554 [~~106.304~~].

6-6 (d) A health professional who participates in any loan
 6-7 reimbursement program is not eligible for a stipend under Section
 6-8 487.554 [~~106.304~~].

6-9 (e) A contract under this section must provide that a health
 6-10 professional who does not provide the required services to the
 6-11 community or provides those services for less than the required
 6-12 time is personally liable to the state for:

6-13 (1) the total amount of assistance the health
 6-14 professional received from the office [~~center~~] and the medically
 6-15 underserved community;

6-16 (2) interest on the amount under Subdivision (1) at a
 6-17 rate set by the executive committee;

6-18 (3) the state's reasonable expenses incurred in
 6-19 obtaining payment, including reasonable attorney's fees; and

6-20 (4) a penalty as established by the executive
 6-21 committee by rule to help ensure compliance with the contract.

6-22 (f) Amounts recovered under Subsection (e) shall be
 6-23 deposited in the permanent endowment fund for the rural communities
 6-24 health care investment program under Section 487.558 [~~106.308~~].

6-25 Sec. 487.556 [~~106.306~~]. POWERS AND DUTIES OF OFFICE
 6-26 [~~CENTER~~]. (a) The executive committee shall adopt rules necessary
 6-27 for the administration of this subchapter, including guidelines
 6-28 for:

6-29 (1) developing contracts under which loan
 6-30 reimbursement or stipend recipients provide services to qualifying
 6-31 communities;

6-32 (2) identifying the duties of the state, state agency,
 6-33 loan reimbursement or stipend recipient, and medically underserved
 6-34 community under the loan reimbursement or stipend contract;

6-35 (3) determining a rate of interest to be charged under
 6-36 Section 487.555(e)(2) [~~106.305(e)(2)~~];

6-37 (4) ensuring that a loan reimbursement or stipend
 6-38 recipient provides access to health services to participants in
 6-39 government-funded health benefits programs in qualifying
 6-40 communities;

6-41 (5) encouraging the use of telecommunications or
 6-42 telemedicine, as appropriate;

6-43 (6) prioritizing the provision of loan reimbursements
 6-44 and stipends to health professionals who are not eligible for any
 6-45 other state loan forgiveness, loan repayment, or stipend program;

6-46 (7) prioritizing the provision of loan reimbursements
 6-47 and stipends to health professionals who are graduates of health
 6-48 professional degree programs in this state;

6-49 (8) encouraging a medically underserved community
 6-50 served by a loan reimbursement or stipend recipient to contribute
 6-51 to the cost of the loan reimbursement or stipend when making a
 6-52 contribution is feasible; and

6-53 (9) requiring a medically underserved community
 6-54 served by a loan reimbursement or stipend recipient to assist the
 6-55 office [~~center~~] in contracting with the loan reimbursement or
 6-56 stipend recipient who will serve that community.

6-57 (b) The executive committee by rule may designate areas of
 6-58 the state as medically underserved communities.

6-59 (c) The executive committee shall make reasonable efforts
 6-60 to contract with health professionals from a variety of different
 6-61 health professions.

6-62 Sec. 487.557 [~~106.307~~]. USE OF TELECOMMUNICATION AND
 6-63 TELEMEDICINE. A health professional who participates in a program
 6-64 under this subchapter may not use telecommunication technology,
 6-65 including telemedicine, as the sole or primary method of providing
 6-66 services and may not use telecommunication technology as a
 6-67 substitute for providing health care services in person. A health
 6-68 professional who participates in a program under this subchapter
 6-69 may use telecommunication technology only to supplement or enhance

7-1 the health care services provided by the health professional.

7-2 Sec. 487.558 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The
7-3 permanent endowment fund for the rural communities health care
7-4 investment program is a special fund in the treasury outside the
7-5 general revenue fund.

7-6 (b) The fund is composed of:

7-7 (1) money transferred to the fund at the direction of
7-8 the legislature;

7-9 (2) gifts and grants contributed to the fund;

7-10 (3) the returns received from investment of money in
7-11 the fund; and

7-12 (4) amounts recovered under Section 487.555(e)
7-13 [~~106.305(e)~~].

7-14 Sec. 487.559 [~~106.309~~]. ADMINISTRATION AND USE OF FUND.

7-15 (a) The office [~~center~~] may administer the permanent endowment
7-16 fund for the rural communities health care investment program. If
7-17 the office [~~center~~] elects not to administer the fund, the
7-18 comptroller shall administer the fund.

7-19 (b) The administrator of the fund shall invest the fund in a
7-20 manner intended to preserve the purchasing power of the fund's
7-21 assets and the fund's annual distributions. The administrator may
7-22 acquire, exchange, sell, supervise, manage, or retain, through
7-23 procedures and subject to restrictions the administrator considers
7-24 appropriate, any kind of investment of the fund's assets that
7-25 prudent investors, exercising reasonable care, skill, and caution,
7-26 would acquire or retain in light of the purposes, terms,
7-27 distribution requirements, and other circumstances of the fund then
7-28 prevailing, taking into consideration the investment of all the
7-29 assets of the fund rather than a single investment.

7-30 (c) The comptroller or the office [~~center~~] may solicit and
7-31 accept gifts and grants to the fund.

7-32 (d) Annual distributions for the fund shall be determined by
7-33 the investment and distribution policy adopted by the administrator
7-34 of the fund for the fund's assets.

7-35 (e) Except as provided by Subsection (f), money in the fund
7-36 may not be used for any purpose.

7-37 (f) The amount available for distribution from the fund,
7-38 including any gift or grant, may be appropriated only for providing
7-39 stipends and loan reimbursement under the programs authorized by
7-40 this subchapter and to pay the expenses of managing the fund. The
7-41 expenditure of a gift or grant is subject to any limitation or
7-42 requirement placed on the gift or grant by the donor or granting
7-43 entity.

7-44 (g) Sections 403.095 and 404.071, Government Code, do not
7-45 apply to the fund. Section 404.094(d), Government Code, applies to
7-46 the fund.

7-47 Sec. 487.560 [~~106.310~~]. REPORTING REQUIREMENT. The office
7-48 [~~center~~] shall provide a report on the permanent endowment fund for
7-49 the rural communities health care investment program to the
7-50 Legislative Budget Board not later than November 1 of each year. The
7-51 report must include the total amount of money the office [~~center~~]
7-52 received from the fund, the purpose for which the money was used,
7-53 and any additional information that may be requested by the
7-54 Legislative Budget Board.

7-55 SECTION 7. Section 38.011(j), Education Code, as added by
7-56 Section 1, Chapter 1418, Acts of the 76th Legislature, Regular
7-57 Session, 1999, as amended by Section 4, Chapter 1424, Acts of the
7-58 77th Legislature, Regular Session, 2001, and as amended and
7-59 redesignated as Section 38.060(a), Education Code, by Section
7-60 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session,
7-61 2001, is reenacted to read as follows:

7-62 (a) This section applies only to a school-based health
7-63 center serving an area that:

7-64 (1) is located in a county with a population not
7-65 greater than 50,000; or

7-66 (2) has been designated under state or federal law as:

7-67 (A) a health professional shortage area;

7-68 (B) a medically underserved area; or

7-69 (C) a medically underserved community by the

8-1 Office of Rural Community Affairs.

8-2 SECTION 8. Section 61.0899, Education Code, is amended to
8-3 read as follows:

8-4 Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN
8-5 REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in
8-6 cooperation with the Office of Rural Community Affairs [~~Center for~~
8-7 ~~Rural Health Initiatives~~] and the office's [~~center's~~] advisory
8-8 panel established under Section 487.552 [~~106.302~~], Government
8-9 [~~Health and Safety~~] Code, ensure that the board seeks to obtain the
8-10 maximum amount of funds from any source, including federal funds,
8-11 to support programs to provide student loan reimbursement or
8-12 stipends for graduates of degree programs in this state who
8-13 practice or agree to practice in a medically underserved community.

8-14 SECTION 9. Section 110.001, Health and Safety Code, as
8-15 added by Chapter 1221, Acts of the 77th Legislature, Regular
8-16 Session, 2001, is amended to read as follows:

8-17 Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of
8-18 Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall
8-19 establish the Rural Foundation as a nonprofit corporation that
8-20 complies with the Texas Non-Profit Corporation Act (Article
8-21 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as
8-22 otherwise provided by this chapter, and qualifies as an
8-23 organization exempt from federal income tax under Section
8-24 501(c)(3), Internal Revenue Code of 1986, as amended.

8-25 (b) The Office of Rural Community Affairs [~~Center for Rural~~
8-26 ~~Health Initiatives~~] shall ensure that the Rural Foundation operates
8-27 independently of any state agency or political subdivision of the
8-28 state.

8-29 SECTION 10. Section 110.002(c), Health and Safety Code, as
8-30 added by Chapter 1221, Acts of the 77th Legislature, Regular
8-31 Session, 2001, is amended to read as follows:

8-32 (c) The Rural Foundation shall develop and implement
8-33 policies and procedures that clearly separate the responsibilities
8-34 and activities of the foundation from the Office of Rural Community
8-35 Affairs [~~Center for Rural Health Initiatives~~].

8-36 SECTION 11. Section 110.003(a), Health and Safety Code, as
8-37 added by Chapter 1221, Acts of the 77th Legislature, Regular
8-38 Session, 2001, is amended to read as follows:

8-39 (a) The Rural Foundation is governed by a board of five
8-40 directors appointed by the executive committee of the Office of
8-41 Rural Community Affairs [~~Center for Rural Health Initiatives~~] from
8-42 individuals recommended by the executive director of the Office of
8-43 Rural Community Affairs [~~Center for Rural Health Initiatives~~].

8-44 SECTION 12. Section 110.004(b), Health and Safety Code, as
8-45 added by Chapter 1221, Acts of the 77th Legislature, Regular
8-46 Session, 2001, is amended to read as follows:

8-47 (b) A person may not be a member of the board of directors of
8-48 the Rural Foundation and may not be a foundation employee employed
8-49 in a "bona fide executive, administrative, or professional
8-50 capacity," as that phrase is used for purposes of establishing an
8-51 exemption to the overtime provisions of the federal Fair Labor
8-52 Standards Act of 1938 (29 U.S.C. Section 201 et seq.), as amended,
8-53 if:

8-54 (1) the person is an officer, employee, or paid
8-55 consultant of a Texas trade association that is in the field of
8-56 health care or that contracts with the foundation; or

8-57 (2) the person's spouse is an officer, manager, or paid
8-58 consultant of a Texas trade association that is in the field of
8-59 health care or that contracts with the foundation.

8-60 SECTION 13. Section 110.005(c), Health and Safety Code, as
8-61 added by Chapter 1221, Acts of the 77th Legislature, Regular
8-62 Session, 2001, is amended to read as follows:

8-63 (c) If the executive director of the Office of Rural
8-64 Community Affairs [~~Center for Rural Health Initiatives~~] has
8-65 knowledge that a potential ground for removal exists, the executive
8-66 director shall notify the presiding officer of the board of
8-67 directors of the Rural Foundation of the potential ground. The
8-68 presiding officer shall then notify the governor and the attorney
8-69 general that a potential ground for removal exists. If the

9-1 potential ground for removal involves the presiding officer, the
 9-2 executive director shall notify the next highest ranking officer of
 9-3 the board of directors, who shall then notify the governor and the
 9-4 attorney general that a potential ground for removal exists.

9-5 SECTION 14. Section 110.010, Health and Safety Code, as
 9-6 added by Chapter 1221, Acts of the 77th Legislature, Regular
 9-7 Session, 2001, is amended to read as follows:

9-8 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
 9-9 Foundation and the Office of Rural Community Affairs [~~Center for~~
 9-10 ~~Rural Health Initiatives~~] shall enter into a memorandum of
 9-11 understanding that:

9-12 (1) requires the board of directors and staff of the
 9-13 foundation to report to the executive director and executive
 9-14 committee of the Office of Rural Community Affairs [~~Center for~~
 9-15 ~~Rural Health Initiatives~~];

9-16 (2) allows the Office of Rural Community Affairs
 9-17 [~~Center for Rural Health Initiatives~~] to provide staff functions to
 9-18 the foundation;

9-19 (3) allows the Office of Rural Community Affairs
 9-20 [~~Center for Rural Health Initiatives~~] to expend funds on the
 9-21 foundation; and

9-22 (4) outlines the financial contributions to be made to
 9-23 the foundation from funds obtained from grants and other sources.

9-24 SECTION 15. Section 110.011(a), Health and Safety Code, as
 9-25 added by Chapter 1221, Acts of the 77th Legislature, Regular
 9-26 Session, 2001, is amended to read as follows:

9-27 (a) The Rural Foundation shall maintain financial records
 9-28 and reports independently from those of the Office of Rural
 9-29 Community Affairs [~~Center for Rural Health Initiatives~~].

9-30 SECTION 16. Section 110.012, Health and Safety Code, as
 9-31 added by Chapter 1221, Acts of the 77th Legislature, Regular
 9-32 Session, 2001, is amended to read as follows:

9-33 Sec. 110.012. REPORT TO OFFICE OF RURAL COMMUNITY
 9-34 AFFAIRS [~~CENTER FOR RURAL HEALTH INITIATIVES~~]. Not later than the
 9-35 60th day after the last day of the fiscal year, the Rural Foundation
 9-36 shall submit to the Office of Rural Community Affairs [~~Center for~~
 9-37 ~~Rural Health Initiatives~~] a report itemizing all income and
 9-38 expenditures and describing all activities of the foundation during
 9-39 the preceding fiscal year.

9-40 SECTION 17. Section 155.1025(a), Occupations Code, is
 9-41 amended to read as follows:

9-42 (a) The board shall adopt rules for expediting any
 9-43 application for a license under this subtitle made by a person who
 9-44 is licensed to practice medicine in another state or country and who
 9-45 submits an affidavit with the application stating that:

9-46 (1) the applicant intends to practice in a rural
 9-47 community, as determined by the Office of Rural Community Affairs
 9-48 [~~Center for Rural Health Initiatives~~]; or

9-49 (2) the applicant intends to:

9-50 (A) accept employment with an entity located in a
 9-51 medically underserved area or health professional shortage area,
 9-52 designated by the United States Department of Health and Human
 9-53 Services, and affiliated with or participating in a public
 9-54 university-sponsored graduate medical education program;

9-55 (B) serve on the faculty of the public
 9-56 university-sponsored graduate medical education program; and

9-57 (C) engage in the practice of medicine and
 9-58 teaching in a specialty field of medicine that is necessary to
 9-59 obtain or maintain the accreditation of the public
 9-60 university-sponsored graduate medical education program by the
 9-61 Accreditation Council for Graduate Medical Education.

9-62 SECTION 18. Section 531.02172, Government Code, as amended
 9-63 by Chapters 661 and 959, Acts of the 77th Legislature, Regular
 9-64 Session, 2001, is reenacted and amended to read as follows:

9-65 Sec. 531.02172. TELEMEDICINE ADVISORY COMMITTEE. (a) The
 9-66 commissioner shall establish an advisory committee to assist the
 9-67 commission in:

9-68 (1) evaluating policies for telemedical consultations
 9-69 under Section 531.0217;

10-1 (2) evaluating policies for telemedicine medical
10-2 services or telehealth services pilot programs established under
10-3 Section 531.02171;

10-4 (3) ensuring the efficient and consistent development
10-5 and use of telecommunication technology for telemedical
10-6 consultations and telemedicine medical services or telehealth
10-7 services reimbursed under government-funded health programs;

10-8 (4) monitoring the type of programs receiving
10-9 reimbursement under Sections 531.0217 and 531.02171; and

10-10 (5) coordinating the activities of state agencies
10-11 concerned with the use of telemedical consultations and
10-12 telemedicine medical services or telehealth services.

10-13 (b) The advisory committee must include:

10-14 (1) representatives of health and human services
10-15 agencies and other state agencies concerned with the use of
10-16 telemedical consultations in the Medicaid program and the state
10-17 child health plan program, including representatives of:

10-18 (A) the commission;

10-19 (B) the Texas Department of Health;

10-20 (C) the Office of Rural Community Affairs [~~Center~~
10-21 ~~for Rural Health Initiatives~~];

10-22 (D) the Telecommunications Infrastructure Fund
10-23 Board;

10-24 (E) the Texas Department of Insurance;

10-25 (F) the Texas State Board of Medical Examiners;

10-26 (G) the Board of Nurse Examiners; and

10-27 (H) the Texas State Board of Pharmacy;

10-28 (2) representatives of health science centers in this
10-29 state;

10-30 (3) experts on telemedicine, telemedical
10-31 consultation, and telemedicine medical services or telehealth
10-32 services; and

10-33 (4) representatives of consumers of health services
10-34 provided through telemedical consultations and telemedicine
10-35 medical services or telehealth services.

10-36 (c) A member of the advisory committee serves at the will of
10-37 the commissioner.

10-38 SECTION 19. The following provisions are repealed:

10-39 (1) Section 106.025(a), Health and Safety Code, as
10-40 amended by Section 1, Chapter 435, Acts of the 77th Legislature,
10-41 Regular Session, 2001;

10-42 (2) Section 106.029, Health and Safety Code, as added
10-43 by Section 1, Chapter 1113, Acts of the 77th Legislature, Regular
10-44 Session, 2001; and

10-45 (3) Section 106.043(b), Health and Safety Code, as
10-46 amended by Section 10, Chapter 874, Acts of the 77th Legislature,
10-47 Regular Session, 2001.

10-48 SECTION 20. This Act takes effect September 1, 2003.

10-49 * * * * *