

By: Chisum

H.B. No. 2632

A BILL TO BE ENTITLED

AN ACT

relating to the Office of Rural Community Affairs.

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

SECTION 1. Section 487.001, Government Code, is amended by adding Subdivisions (3)-(7) to read as follows:

(3) "Rural community" means a community in a rural area of this state as defined by the office.

(4) "Health care professional" means a person who holds a license or other grant of authority issued by the state to practice in a health care profession, including veterinary medicine or other health care professions identified by office rule.

(5) "Physician" means a person licensed to practice medicine in this state under Chapter 155, Occupations Code.

(6) "Hospital" means a public or private, general or special hospital licensed under Chapter 241, Health and Safety Code.

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

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

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

(1) develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state elected

1 and appointed officials with interests in rural communities;

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

5 (3) develop programs to improve the leadership  
6 capacity of rural community leaders;

7 (4) monitor developments that have a substantial  
8 effect on rural Texas communities, especially actions of state  
9 government, and compile an annual report describing and evaluating  
10 the condition of rural communities;

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

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

15 (7) perform research to determine the most beneficial  
16 and cost-effective ways to improve the welfare of rural  
17 communities;

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

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

24 (10) establish and administer, or contract for the  
25 administration of, the programs in this chapter;

26 (11) adopt rules and set priorities for programs under  
27 this chapter;

1           (12) make awards under programs governed by this  
2 chapter on a priority basis according to rules adopted by the office  
3 in any year available money is inadequate to provide grants,  
4 stipends, loans, and loan guarantees to all eligible applicants for  
5 the programs;

6           (13) enter into, enforce, and execute contracts and  
7 deliver conveyances and other instruments necessary to make and  
8 administer grants, stipends, loans, and loan guarantees under this  
9 chapter;

10           (14) impose and collect reasonable fees and charges in  
11 connection with grants, stipends, loans, and loan guarantees made  
12 under this chapter and enforce reasonable penalties against a user  
13 of a program who defaults on a loan, is delinquent in making loan  
14 payments, or violates the terms of the program;

15           (15) deposit any amounts recovered for programs under  
16 this chapter back into the fund from which the award money  
17 originates;

18           (16) employ personnel and counsel necessary to  
19 implement the programs under this chapter; and

20           (17) seek state and federal money available for  
21 economic development in rural areas for programs under this  
22 chapter.

23           SECTION 3. Section 487.053, Government Code, is amended by  
24 adding Subsection (c) to read as follows:

25           (c) The expenditure of a gift, grant, donation, or other  
26 contribution is subject to any limitation or requirement placed by  
27 the person making the gift, grant, or donation.

1 SECTION 4. Section 106.026(b), Health and Safety Code, as  
2 added by Section 2, Chapter 1221, Acts of the 77th Legislature,  
3 Regular Session, 2001, is redesignated as Section 487.056(b),  
4 Government Code, and Section 487.056, Government Code, is amended  
5 to read as follows:

6 Sec. 487.056. REPORT TO LEGISLATURE. (a) Not later than  
7 January 1 of each odd-numbered year, the office shall submit a  
8 biennial report to the legislature regarding the activities of the  
9 office, the activities of the Rural Foundation, and any findings  
10 and recommendations relating to rural issues.

11 (b) The office [~~center~~] shall obtain information from each  
12 county about indigent health care provided in the county and  
13 information from each university, medical school, rural community,  
14 or rural health care provider that has performed a study relating to  
15 rural health care during the biennium. The office [~~center~~] shall  
16 include the information obtained under this subsection in the  
17 office's [~~center's~~] report to the legislature.

18 SECTION 5. Section 487.102, Government Code, is amended to  
19 read as follows:

20 Sec. 487.102. PURPOSE; ADMINISTRATION. (a) The purpose of  
21 the program is to encourage rural communities to recognize and  
22 financially support students at institutions of higher education  
23 who:

- 24 (1) pursue a degree in a health care profession; and  
25 (2) agree to practice health care in a rural  
26 community.

27 (b) The office shall administer or contract for the

1 administration of the program.

2 (c) The financial assistance provided under the program  
3 includes awarding forgivable loans.

4 SECTION 6. Section 487.104(a), Government Code, is amended  
5 to read as follows:

6 ~~[(a)]~~ The office ~~[selection committee]~~ shall select  
7 outstanding rural scholars through a statewide competition  
8 according to office rule.

9 SECTION 7. Section 487.105(a), Government Code, is amended  
10 to read as follows:

11 ~~[(a)]~~ To be eligible to participate in the competition under  
12 Section 487.104, an applicant ~~[a high school student or an~~  
13 ~~undergraduate student at a postsecondary educational institution]~~  
14 must:

15 (1) be nominated and sponsored by a rural community,  
16 whose ~~[which]~~ sponsorship must include financial support; and

17 (2) be a Texas resident under Subchapter B, Chapter  
18 54, Education Code[+]

19 ~~[(3) if the person is a high school student, be in the~~  
20 ~~upper 25 percent of the student's high school class, if the class~~  
21 ~~contains 48 or more students, and intend to enter a postsecondary~~  
22 ~~educational institution, and~~

23 ~~[(4) if the person is an undergraduate student, be in~~  
24 ~~the upper 25 percent of the student's class or have a cumulative~~  
25 ~~grade average that is equal to or greater than the equivalent of a~~  
26 ~~3.0 on a 4.0 scale and be enrolled in a postsecondary educational~~  
27 ~~institution].~~

1 SECTION 8. Section 487.107(c), Government Code, is amended  
2 to read as follows:

3 [~~(c)~~] If in any year the fund is inadequate to provide loans  
4 to all eligible applicants, the executive committee shall award  
5 forgivable loans on a priority basis [~~according to the applicants'~~  
6 ~~academic performance, test scores, and other criteria of~~  
7 ~~eligibility~~].

8 SECTION 9. Section 487.108(b), Government Code, is amended  
9 to read as follows:

10 [~~(b)~~] An outstanding rural scholar may receive another  
11 grant, loan, or scholarship for which the scholar is eligible in  
12 addition to the receipt of a forgivable loan, provided [~~except~~]  
13 that the total amount of funds received does [~~may~~] not exceed the  
14 reasonable needs of the scholar.

15 SECTION 10. The heading for Subchapter F, Chapter 487,  
16 Government Code, is amended to read as follows:

17 SUBCHAPTER F. RURAL [~~MEDICALLY UNDERSERVED~~] COMMUNITY-STATE  
18 MATCHING INCENTIVE PROGRAM

19 SECTION 11. Section 487.201, Government Code, is amended by  
20 amending Subdivisions (2) and (4) to read as follows:

21 (2) "Program [~~Physician~~]" means the rural community  
22 matching incentive program [~~a person licensed to practice medicine~~  
23 ~~in this state~~].

24 (4) "Start-up money" means a payment made by a  
25 medically underserved rural community for reasonable costs  
26 incurred by a physician to be matched by the office to establish a  
27 medical office and ancillary facilities for diagnosing and treating

1 patients.

2 SECTION 12. Section 487.202(a), (c), and (e), Government  
3 Code, are amended to read as follows:

4 (a) The office [~~executive committee~~] shall establish and  
5 administer a program under this subchapter to increase the number  
6 of physicians providing primary care in rural [~~medically~~  
7 ~~underserved~~] communities.

8 (c) A participating rural [~~medically underserved~~] community  
9 may provide start-up money to an eligible physician over a two-year  
10 period.

11 (e) The office [~~executive committee~~] shall establish  
12 priorities so that the neediest rural communities eligible for  
13 assistance under this subchapter are assured the receipt of a  
14 grant.

15 SECTION 13. Section 487.203, Government Code, is amended to  
16 read as follows:

17 Sec. 487.203. ELIGIBILITY. To be eligible to receive money  
18 from the office [~~executive committee~~], a rural [~~medically~~  
19 ~~underserved~~] community must [+

20 [~~(1) apply for the money, and~~

21 [~~(2)~~] provide evidence satisfactory to the office  
22 [~~executive committee~~] that it has entered into an agreement with a  
23 physician for the physician to provide primary care in the  
24 community for at least two years.

25 SECTION 14. Section 487.204, Government Code, is amended to  
26 read as follows:

27 Sec. 487.204. RULES. The executive committee shall adopt

1 rules necessary for the administration of this subchapter,  
2 including rules requiring a physician to return any money received  
3 under the program if the physician fails to fulfill the term of the  
4 agreement with the community [~~addressing:~~

5 [~~(1) eligibility criteria for a medically underserved~~  
6 ~~community;~~

7 [~~(2) eligibility criteria for a physician;~~

8 [~~(3) minimum and maximum community contributions to~~  
9 ~~the start-up money for a physician to be matched with state money;~~

10 [~~(4) conditions under which state money must be repaid~~  
11 ~~by a community or physician;~~

12 [~~(5) procedures for disbursement of money by the~~  
13 ~~executive committee;~~

14 [~~(6) the form and manner in which a community must make~~  
15 ~~its contribution to the start-up money; and~~

16 [~~(7) the contents of an agreement to be entered into by~~  
17 ~~the parties, which must include at least:~~

18 [~~(A) a credit check for an eligible physician;~~  
19 ~~and~~

20 [~~(B) community retention of interest in any~~  
21 ~~property, equipment, or durable goods for seven years].~~

22 SECTION 15. Section 487.251, Government Code, is amended by  
23 adding Subdivision (3) to read as follows:

24 (3) "Program" means the Texas health service corps  
25 program.

26 SECTION 16. Section 487.252(a), Government Code, is amended  
27 to read as follows:



1           ~~[(a)]~~ The executive committee shall establish a program in  
2 the office to assist communities in recruiting and retaining  
3 primary care physicians to practice in rural ~~[medically~~  
4 ~~underserved]~~ areas in the state.

5           SECTION 17. Section 487.254(a), Government Code, is amended  
6 to read as follows:

7           ~~[(a)]~~ The office may award a stipend to a physician under  
8 this subchapter if the physician enters into a written contract to  
9 provide services in a rural ~~[medically underserved]~~ area for at  
10 least one year for each year that the physician receives the  
11 stipend.

12           SECTION 18. Section 487.302, Government Code, is amended to  
13 read as follows:

14           Sec. 487.302. POWERS OF OFFICE. The ~~[In administering this~~  
15 ~~subchapter, the]~~ office may:

16           (1) ~~[enter into and enforce contracts and execute and~~  
17 ~~deliver conveyances and other instruments necessary to make and~~  
18 ~~administer grants, loans, and loan guarantees under this~~  
19 ~~subchapter,~~

20           ~~[(2)]~~ ~~employ personnel and counsel necessary to~~  
21 ~~implement this subchapter and pay them from money appropriated for~~  
22 ~~that purpose,~~

23           ~~[(3)]~~ ~~impose and collect reasonable fees and charges in~~  
24 ~~connection with grants, loans, and loan guarantees made under this~~  
25 ~~subchapter and provide reasonable penalties for delinquent payment~~  
26 ~~of fees, charges, or loan repayments,~~

27           ~~[(4)]~~ take and enforce a mortgage or appropriate

1 security interest in real or personal property that a loan  
2 recipient acquires with the proceeds of a loan made under this  
3 subchapter; and

4 (2) [~~(5)~~] adopt rules necessary to implement the  
5 grant, loan, and loan guarantee program.

6 SECTION 19. Subchapter H, Chapter 106, Health and Safety  
7 Code, as added by Section 1, Chapter 831, Acts of the 77th  
8 Legislature, Regular Session, 2001, is redesignated as Subchapter  
9 K, Chapter 487, Government Code, and amended to read as follows:

10 SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING  
11 PROGRAM FOR STUDENTS

12 Sec. 487.451 [~~106.251~~]. DEFINITION [~~DEFINITIONS~~]. In this  
13 subchapter, "program" [~~+~~

14 [~~(1)~~] "~~Health care professional~~" means:

15 [~~(A)~~] ~~an advanced nurse practitioner,~~

16 [~~(B)~~] ~~a dentist,~~

17 [~~(C)~~] ~~a dental hygienist,~~

18 [~~(D)~~] ~~a laboratory technician,~~

19 [~~(E)~~] ~~a licensed vocational nurse,~~

20 [~~(F)~~] ~~a licensed professional counselor,~~

21 [~~(G)~~] ~~a medical radiological technologist,~~

22 [~~(H)~~] ~~an occupational therapist,~~

23 [~~(I)~~] ~~a pharmacist,~~

24 [~~(J)~~] ~~a physical therapist,~~

25 [~~(K)~~] ~~a physician,~~

26 [~~(L)~~] ~~a physician assistant,~~

27 [~~(M)~~] ~~a psychologist,~~

1                   ~~[(N) a registered nurse,~~  
2                   ~~[(O) a social worker,~~  
3                   ~~[(P) a speech-language pathologist,~~  
4                   ~~[(Q) a veterinarian,~~  
5                   ~~[(R) a chiropractor, and~~  
6                   ~~[(S) another appropriate health care~~  
7 ~~professional identified by the executive committee.~~

8                   ~~[(2) "Program"]~~ means the community healthcare  
9 awareness and mentoring program for students established under this  
10 subchapter.

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

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

20                   ~~[(1) identify high school students in rural and~~  
21 ~~underserved urban areas who are interested in serving those areas~~  
22 ~~as health care professionals,~~

23                   ~~[(2) identify health care professionals in rural and~~  
24 ~~underserved urban areas to act as positive role models, mentors, or~~  
25 ~~reference resources for the interested high school students,~~

26                   ~~[(3) introduce interested high school students to the~~  
27 ~~spectrum of professional health care careers through activities~~

1 ~~such as health care camps and shadowing of health care~~  
2 ~~professionals,~~

3 ~~[(4) encourage a continued interest in service as~~  
4 ~~health care professionals in rural and underserved urban areas by~~  
5 ~~providing mentors and community resources for students~~  
6 ~~participating in training or educational programs to become health~~  
7 ~~care professionals, and~~

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

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

18 Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office  
19 [~~center~~] shall administer or contract for the administration of the  
20 program.

21 (b) [~~The center may solicit and accept gifts, grants,~~  
22 ~~donations, and contributions to support the program.~~

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

25 (c) [~~(d)~~] The office [~~center~~] shall coordinate the program  
26 with similar programs, including programs relating to workforce  
27 development, scholarships for education, and employment of

1 students, that are administered by other agencies, such as the  
2 Texas Workforce Commission and local workforce development boards.

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

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

13 (c) [~~To be eligible to receive a grant under the grant~~  
14 ~~program, a person must:~~

15 [~~(1) apply for the grant on a form adopted by the~~  
16 ~~executive committee,~~

17 [~~(2) be enrolled or intend to be enrolled in a training~~  
18 ~~or educational program to become a health care professional,~~

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

22 [~~(4) comply fully with any practice or requirements~~  
23 ~~associated with any scholarship, loan, or other similar benefit~~  
24 ~~received by the student.~~

25 [~~(d)~~] As a condition of receiving a grant under the program  
26 the student must agree to repay the amount of the grant, plus a  
27 penalty in an amount established by rule of the executive committee

1 ~~[not to exceed two times the amount of the grant]~~, if the student  
2 becomes licensed as a health care professional and fails to  
3 practice or work for at least one year as a health care professional  
4 in a rural ~~[or underserved urban]~~ area in this state.

5 SECTION 20. Subchapter H, Chapter 106, Health and Safety  
6 Code, as added by Section 1, Chapter 1112, Acts of the 77th  
7 Legislature, Regular Session, 2001, is redesignated as Subchapter  
8 L, Chapter 487, Government Code, and amended to read as follows:

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

10 Sec. 487.501 ~~[106.251]~~. DEFINITION ~~[DEFINITIONS]~~. In this  
11 subchapter, "program" means the rural physician recruitment  
12 program ~~[+~~

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

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

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

20 Sec. 487.502 ~~[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 21. 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~~]. DEFINITION [~~DEFINITIONS~~]. In this  
16 subchapter, "program" means the rural communities health care  
17 investment program[~~+~~

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

23 [~~(2) "Medically underserved community" means a~~  
24 ~~community that:~~

25 [~~(A) is located in a county with a population of~~  
26 ~~50,000 or less,~~

27 [~~(B) has been designated under state or federal~~

1 ~~law as:~~

2 ~~[(i) a health professional shortage area,~~

3 ~~or~~

4 ~~[(ii) a medically underserved area, or~~

5 ~~[(C) has been designated as a medically~~  
6 ~~underserved community by the center.~~

7 ~~[Sec. 106.302. ADVISORY PANEL. The center shall appoint an~~  
8 ~~advisory panel to assist in the center's duties under this~~  
9 ~~subchapter. The advisory panel must consist of at least:~~

10 ~~[(1) one representative from the Texas Higher~~  
11 ~~Education Coordinating Board,~~

12 ~~[(2) one representative from the institutions of~~  
13 ~~higher education having degree programs for the health professions~~  
14 ~~participating in the programs under this subchapter,~~

15 ~~[(3) one representative from a hospital in a medically~~  
16 ~~underserved community,~~

17 ~~[(4) one physician practicing in a medically~~  
18 ~~underserved community,~~

19 ~~[(5) one health professional, other than a physician,~~  
20 ~~practicing in a medically underserved community, and~~

21 ~~[(6) one public representative who resides in a~~  
22 ~~medically underserved community].~~

23 Sec. 487.552 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The  
24 executive committee shall establish a program in the office  
25 [~~center~~] to assist communities in recruiting health professionals  
26 to practice in rural [~~medically underserved~~] communities by  
27 providing loan reimbursement for health professionals who serve in



1 those communities.

2           Sec. 487.553 [~~106.304~~]. STIPEND PROGRAM. [~~(a)~~] The  
3 executive committee shall establish a program in the office  
4 [~~center~~] to assist communities in recruiting health professionals  
5 to practice in rural [~~medically underserved~~] communities by  
6 providing a stipend to health professionals who agree to serve in  
7 those communities.

8           ~~[(b) A stipend awarded under this section shall be paid in~~  
9 ~~periodic installments.]~~

10           ~~[(c) A health professional who participates in the program~~  
11 ~~established under this section must establish an office and~~  
12 ~~residency in the medically underserved area before receiving any~~  
13 ~~portion of the stipend.]~~

14           Sec. 487.554 [~~106.305~~]. CONTRACT REQUIRED. (a) A health  
15 professional may receive assistance under this subchapter only if  
16 the health professional signs a contract agreeing to provide health  
17 care services in a rural [~~medically underserved~~] community.

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

22           ~~[(c) The center may contract with a health professional for~~  
23 ~~part-time services under the stipend program established under~~  
24 ~~Section 106.304.]~~

25           ~~[(d)]~~ A health professional who participates in any loan  
26 reimbursement program is not eligible for a stipend under Section  
27 487.553 [~~106.304~~].

1           (c) [~~(e)~~] A contract under this section must provide that a  
2 health professional who does not provide the required services to  
3 the community or provides those services for less than the required  
4 time is personally liable to the state for[+]

5                   ~~[(1) the total amount of assistance the health~~  
6 ~~professional received from the center and the medically underserved~~  
7 ~~community;~~

8                   ~~[(2) interest on the amount under Subdivision (1) at a~~  
9 ~~rate set by the executive committee;~~

10                   ~~[(3) the state's reasonable expenses incurred in~~  
11 ~~obtaining payment, including reasonable attorney's fees; and~~

12                   ~~[(4)]~~ a penalty as established by the executive  
13 committee by rule to help ensure compliance with the contract.

14           (d) Money [~~(f) Amounts~~] recovered under Subsection (c)  
15 [~~(e)~~] shall be deposited in the permanent endowment fund for the  
16 rural communities health care investment program under Section  
17 487.556 [~~106.308~~].

18           Sec. 487.555 [~~106.306~~]. POWERS AND DUTIES OF OFFICE  
19 [~~CENTER~~]. [~~(a)~~] The executive committee shall adopt rules  
20 necessary for the administration of this subchapter[, ~~including~~  
21 ~~guidelines for:~~

22                   ~~[(1) developing contracts under which loan~~  
23 ~~reimbursement or stipend recipients provide services to qualifying~~  
24 ~~communities;~~

25                   ~~[(2) identifying the duties of the state, state~~  
26 ~~agency, loan reimbursement or stipend recipient, and medically~~  
27 ~~underserved community under the loan reimbursement or stipend~~

1 ~~contract;~~

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

4 ~~[(4) ensuring that a loan reimbursement or stipend~~  
5 ~~recipient provides access to health services to participants in~~  
6 ~~government-funded health benefits programs in qualifying~~  
7 ~~communities;~~

8 ~~[(5) encouraging the use of telecommunications or~~  
9 ~~telemedicine, as appropriate;~~

10 ~~[(6) prioritizing the provision of loan~~  
11 ~~reimbursements and stipends to health professionals who are not~~  
12 ~~eligible for any other state loan forgiveness, loan repayment, or~~  
13 ~~stipend program;~~

14 ~~[(7) prioritizing the provision of loan~~  
15 ~~reimbursements and stipends to health professionals who are~~  
16 ~~graduates of health professional degree programs in this state;~~

17 ~~[(8) encouraging a medically underserved community~~  
18 ~~served by a loan reimbursement or stipend recipient to contribute~~  
19 ~~to the cost of the loan reimbursement or stipend when making a~~  
20 ~~contribution is feasible; and~~

21 ~~[(9) requiring a medically underserved community~~  
22 ~~served by a loan reimbursement or stipend recipient to assist the~~  
23 ~~center in contracting with the loan reimbursement or stipend~~  
24 ~~recipient who will serve that community].~~

25 ~~[(b) The executive committee by rule may designate areas of~~  
26 ~~the state as medically underserved communities.~~

27 ~~[(c) The executive committee shall make reasonable efforts~~

1 ~~to contract with health professionals from a variety of different~~  
2 ~~health professions.~~

3 ~~[Sec. 106.307. USE OF TELECOMMUNICATION AND TELEMEDICINE.~~  
4 ~~A health professional who participates in a program under this~~  
5 ~~subchapter may not use telecommunication technology, including~~  
6 ~~telemedicine, as the sole or primary method of providing services~~  
7 ~~and may not use telecommunication technology as a substitute for~~  
8 ~~providing health care services in person. A health professional~~  
9 ~~who participates in a program under this subchapter may use~~  
10 ~~telecommunication technology only to supplement or enhance the~~  
11 ~~health care services provided by the health professional.]~~

12 Sec. 487.556 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The  
13 permanent endowment fund for the rural communities health care  
14 investment program is a special fund in the treasury outside the  
15 general revenue fund.

16 (b) The fund is composed of:

17 (1) money transferred to the fund at the direction of  
18 the legislature;

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

20 (3) the returns received from investment of money in  
21 the fund; and

22 (4) money [~~amounts~~] recovered under Section  
23 487.554(c) [~~106.305(e)~~].

24 Sec. 487.557 [~~106.309~~]. ADMINISTRATION AND USE OF FUND.

25 (a) The office [~~center~~] may administer the permanent endowment  
26 fund for the rural communities health care investment program. If  
27 the office [~~center~~] elects not to administer the fund, the

1 comptroller shall administer the fund.

2 (b) The administrator of the fund shall invest the fund in a  
3 manner intended to preserve the purchasing power of the fund's  
4 assets and the fund's annual distributions. The administrator may  
5 acquire, exchange, sell, supervise, manage, or retain, through  
6 procedures and subject to restrictions the administrator considers  
7 appropriate, any kind of investment of the fund's assets that  
8 prudent investors, exercising reasonable care, skill, and caution,  
9 would acquire or retain in light of the purposes, terms,  
10 distribution requirements, and other circumstances of the fund then  
11 prevailing, taking into consideration the investment of all the  
12 assets of the fund rather than a single investment.

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

15 (d) Annual distributions for the fund shall be determined by  
16 the investment and distribution policy adopted by the administrator  
17 of the fund for the fund's assets.

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

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

27 (g) Sections 403.095 and 404.071, Government Code, do not

1 apply to the fund. Section 404.094(d), Government Code, applies to  
2 the fund.

3 ~~[Sec. 106.310. REPORTING REQUIREMENT. The center shall~~  
4 ~~provide a report on the permanent endowment fund for the rural~~  
5 ~~communities health care investment program to the Legislative~~  
6 ~~Budget Board not later than November 1 of each year. The report must~~  
7 ~~include the total amount of money the center received from the fund,~~  
8 ~~the purpose for which the money was used, and any additional~~  
9 ~~information that may be requested by the Legislative Budget Board.]~~

10 SECTION 22. Section 38.011(j), Education Code, as added by  
11 Section 1, Chapter 1418, Acts of the 76th Legislature, Regular  
12 Session, 1999, as amended by Section 4, Chapter 1424, Acts of the  
13 77th Legislature, Regular Session, 2001, and as amended and  
14 redesignated as Section 38.060(a), Education Code, by Section  
15 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session,  
16 2001, is reenacted to read as follows:

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

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

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

22 (A) a health professional shortage area;

23 (B) a medically underserved area; or

24 (C) a medically underserved community by the  
25 Office of Rural Community Affairs.

26 SECTION 23. Section 51.949(b), Education Code, as added by  
27 Chapter 1293, Acts of the 77th Legislature, Regular Session, 2001,

1 is amended to read as follows:

2       ~~[(b)]~~ On receipt of an application from a foreign applicant  
3 for the expedited processing of a license under Section  
4 155.1025(a)(2), Occupations Code, the Texas Department of Health  
5 shall request the United States Department of State to recommend  
6 the waiver of 8 U.S.C. Section 1182(e) under exceptions provided by  
7 8 U.S.C. Section 1184(1) for ~~[not more than 20]~~ qualified alien  
8 physicians ~~[each year]~~ who agree, beginning not later than the 90th  
9 day after the date of approval of the waiver and continuing for at  
10 least three years, to:

11           (1) accept employment with an entity:

12                   (A) located in a rural community, as determined  
13 by the Office of Rural Community Affairs or in a medically  
14 underserved area or health professional shortage area, as  
15 designated by the United States Department of Health and Human  
16 Services~~[, within an eligible area]; or [and]~~

17                   (B) affiliated with or participating in a public  
18 university-sponsored graduate medical education program under  
19 which employment the physician:

20                           (i) serves ~~[(2) — serve]~~ on the faculty of  
21 the public university-sponsored graduate medical education  
22 program; and

23                           (ii) engages ~~[(3) — engage]~~ in the practice  
24 of medicine and teaching in a specialty field of medicine that is  
25 necessary to obtain or maintain the accreditation of the public  
26 university-sponsored graduate medical education program by the  
27 Accreditation Council for Graduate Medical Education; or ~~[and]~~

1           (2) [~~4~~] join a medical practice located in a  
2 medically underserved area or health professional shortage area, as  
3 designated by the United States Department of Health and Human  
4 Services, within an eligible area.

5           SECTION 24. Section 61.0899, Education Code, is amended to  
6 read as follows:

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

17           SECTION 25. Section 110.001, Health and Safety Code, as  
18 added by Chapter 1221, Acts of the 77th Legislature, Regular  
19 Session, 2001, is amended to read as follows:

20           Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of  
21 Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall  
22 establish the Rural Foundation as a nonprofit corporation that  
23 complies with the Texas Non-Profit Corporation Act (Article  
24 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as  
25 otherwise provided by this chapter, and qualifies as an  
26 organization exempt from federal income tax under Section  
27 501(c)(3), Internal Revenue Code of 1986, as amended.



1           (b) The Office of Rural Community Affairs [~~Center for Rural~~  
2 ~~Health Initiatives~~] shall ensure that the Rural Foundation operates  
3 independently of any state agency or political subdivision of the  
4 state.

5           SECTION 26. Section 110.002(c), Health and Safety Code, as  
6 added by Chapter 1221, Acts of the 77th Legislature, Regular  
7 Session, 2001, is amended to read as follows:

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

12           SECTION 27. Section 110.003(a), Health and Safety Code, as  
13 added by Chapter 1221, Acts of the 77th Legislature, Regular  
14 Session, 2001, is amended to read as follows:

15           (a) The Rural Foundation is governed by a board of five  
16 directors appointed by the executive committee of the Office of  
17 Rural Community Affairs [~~Center for Rural Health Initiatives~~] from  
18 individuals recommended by the executive director of the Office of  
19 Rural Community Affairs [~~Center for Rural Health Initiatives~~].

20           SECTION 28. Section 110.005(c), Health and Safety Code, as  
21 added by Chapter 1221, Acts of the 77th Legislature, Regular  
22 Session, 2001, is amended to read as follows:

23           (c) If the executive director of the Office of Rural  
24 Community Affairs [~~Center for Rural Health Initiatives~~] has  
25 knowledge that a potential ground for removal exists, the executive  
26 director shall notify the presiding officer of the board of  
27 directors of the Rural Foundation of the potential ground. The

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

7 SECTION 29. Section 110.010, Health and Safety Code, as  
8 added by Chapter 1221, Acts of the 77th Legislature, Regular  
9 Session, 2001, is amended to read as follows:

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

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

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

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

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

26 SECTION 30. Section 110.011(a), Health and Safety Code, as  
27 added by Chapter 1221, Acts of the 77th Legislature, Regular

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

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

5 SECTION 31. Section 110.012, Health and Safety Code, as  
6 added by Chapter 1221, Acts of the 77th Legislature, Regular  
7 Session, 2001, is amended to read as follows:

8 Sec. 110.012. REPORT TO OFFICE OF RURAL COMMUNITY  
9 AFFAIRS [~~CENTER FOR RURAL HEALTH INITIATIVES~~]. Not later than the  
10 60th day after the last day of the fiscal year, the Rural Foundation  
11 shall submit to the Office of Rural Community Affairs [~~Center for~~  
12 ~~Rural Health Initiatives~~] a report itemizing all income and  
13 expenditures and describing all activities of the foundation during  
14 the preceding fiscal year.

15 SECTION 32. Section 155.1025(a), Occupations Code, is  
16 amended to read as follows:

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

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

24 (2) the applicant intends to:

25 (A) accept employment with an entity located in a  
26 medically underserved area or health professional shortage area,  
27 designated by the United States Department of Health and Human

1 Services, and affiliated with or participating in a public  
2 university-sponsored graduate medical education program;

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

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

10 SECTION 33. The section heading for Section 204.104,  
11 Occupations Code, is amended to read as follows:

12 Sec. 204.104. RURAL PHYSICIAN ASSISTANT LOAN REPAYMENT  
13 ~~[REIMBURSEMENT]~~ PROGRAM.

14 SECTION 34. Section 204.104(a), Occupations Code, is  
15 amended to read as follows:

16 (a) A program shall be established to provide student loan  
17 repayment ~~[reimbursement]~~ for graduates of physician assistant  
18 training programs from any state who practice in rural ~~[health~~  
19 ~~professional shortage areas and medically underserved]~~ areas in the  
20 state as defined by the Office of Rural Community Affairs  
21 ~~[identified by the Texas Department of Health]~~. The physician  
22 assistant board shall fund the program by designating annually a  
23 portion of the revenue generated under this chapter from physician  
24 assistant licensing fees.

25 SECTION 35. Section 531.02172, Government Code, as amended  
26 by Chapters 661 and 959, Acts of the 77th Legislature, Regular  
27 Session, 2001, is reenacted and amended to read as follows:

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

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

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

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

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

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

18           (b) The advisory committee must include:

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

23                           (A) the commission;

24                           (B) the Texas Department of Health;

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

27                           (D) the Telecommunications Infrastructure Fund

1 Board;

2 (E) the Texas Department of Insurance;

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

4 (G) the Board of Nurse Examiners; and

5 (H) the Texas State Board of Pharmacy;

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

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

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

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

16 SECTION 36. The following sections are repealed:

17 (1) Sections 487.101(1), (3), and (5), Government  
18 Code;

19 (2) Section 487.103, Government Code;

20 (3) Sections 487.104(b), (c), (d), and (e), Government  
21 Code;

22 (4) Section 487.105(b), Government Code;

23 (5) Section 487.106, Government Code;

24 (6) Sections 487.107(a) and (b), Government Code;

25 (7) Section 487.108(a), Government Code;

26 (8) Sections 487.109(b) and (c), Government Code;

27 (9) Sections 487.110(c), (d), and (e), Government

1 Code;

2 (10) Section 487.111, Government Code;

3 (11) Subchapter E, Chapter 487, Government Code;

4 (12) Sections 487.201(1) and (3), Government Code;

5 (13) Sections 487.202(b) and (d), Government Code;

6 (14) Sections 487.251(1) and (2), Government Code;

7 (15) Section 487.252(b), Government Code;

8 (16) Section 487.253(b), Government Code;

9 (17) Section 487.254(b), Government Code;

10 (18) Section 487.255, Government Code;

11 (19) Section 487.256, Government Code;

12 (20) Section 487.301, Government Code;

13 (21) Section 51.949(a), Education Code, as added by  
14 Chapter 1293, Acts of the 77th Legislature, Regular Session, 2001;

15 (22) Section 106.025(a), Health and Safety Code, as  
16 amended by Section 1, Chapter 435, Acts of the 77th Legislature,  
17 Regular Session, 2001;

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

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

24 SECTION 37. This Act takes effect September 1, 2003.