

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; or

(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  
14 shall pay a physician providing relief under the program using fees  
15 collected by the center.

16 Sec. 487.606. PRIORITY ASSIGNMENT OF RELIEF PHYSICIANS.

17 (a) The office shall assign physicians to provide relief to a rural  
18 area 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 Sec. 487.608. ADVISORY COMMITTEE. (a) The rural physician  
16 relief advisory committee is composed of the following members  
17 appointed by the executive committee:

18 (1) a physician who practices in the area of general  
19 family medicine in a rural county;

20 (2) a physician who practices in the area of general  
21 internal medicine in a rural county;

22 (3) a physician who practices in the area of general  
23 pediatrics in a rural county;

24 (4) a representative from an accredited Texas medical  
25 school;

26 (5) a program director from an accredited primary care  
27 residency program;

1           (6) a representative from the Texas Higher Education  
2 Coordinating Board; and

3           (7) a representative from the Texas State Board of  
4 Medical Examiners.

5           (b) The advisory committee shall assist the office in  
6 administering the program.

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

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

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

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

17           (3) develop programs to improve the leadership  
18 capacity of rural community leaders;

19           (4) monitor developments that have a substantial  
20 effect on rural Texas communities, especially actions of state  
21 government, and compile an annual report describing and evaluating  
22 the condition of rural communities;

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

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

27           (7) perform research to determine the most beneficial

1 and cost-effective ways to improve the welfare of rural  
2 communities;

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

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

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

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

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

22 (b) The office ~~center~~ shall obtain information from each  
23 county about indigent health care provided in the county and  
24 information from each university, medical school, rural community,  
25 or rural health care provider that has performed a study relating to  
26 rural health care during the biennium. The office ~~center~~ shall  
27 include the information obtained under this subsection in the

1 office's [~~center's~~] report to the legislature.

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

6 SUBCHAPTER K [~~H~~]. COMMUNITY HEALTHCARE AWARENESS AND MENTORING  
7 PROGRAM FOR STUDENTS

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

- 9 (1) "Health care professional" means:
- 10 (A) an advanced nurse practitioner;
  - 11 (B) a dentist;
  - 12 (C) a dental hygienist;
  - 13 (D) a laboratory technician;
  - 14 (E) a licensed vocational nurse;
  - 15 (F) a licensed professional counselor;
  - 16 (G) a medical radiological technologist;
  - 17 (H) an occupational therapist;
  - 18 (I) a pharmacist;
  - 19 (J) a physical therapist;
  - 20 (K) a physician;
  - 21 (L) a physician assistant;
  - 22 (M) a psychologist;
  - 23 (N) a registered nurse;
  - 24 (O) a social worker;
  - 25 (P) a speech-language pathologist;
  - 26 (Q) a veterinarian;
  - 27 (R) a chiropractor; and

1 (S) another appropriate health care professional  
2 identified by the executive committee.

3 (2) "Program" means the community healthcare  
4 awareness and mentoring program for students established under this  
5 subchapter.

6 (3) "Underserved urban area" means an urban area of  
7 this state with a medically underserved population, as determined  
8 in accordance with criteria adopted by the board by rule,  
9 considering relevant demographic, geographic, and environmental  
10 factors.

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

15 (1) identify high school students in rural and  
16 underserved urban areas who are interested in serving those areas  
17 as health care professionals;

18 (2) identify health care professionals in rural and  
19 underserved urban areas to act as positive role models, mentors, or  
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the  
22 spectrum of professional health care careers through activities  
23 such as health care camps and shadowing of health care  
24 professionals;

25 (4) encourage a continued interest in service as  
26 health care professionals in rural and underserved urban areas by  
27 providing mentors and community resources for students

1 participating in training or educational programs to become health  
2 care professionals; and

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

8 (b) In connection with the program, the office [~~center~~]  
9 shall establish and maintain an updated medical resource library  
10 that contains information relating to medical careers. The office  
11 [~~center~~] shall make the library available to school counselors,  
12 students, and parents of students.

13 Sec. 487.453 [~~106.253~~]. ADMINISTRATION. (a) The office  
14 [~~center~~] shall administer or contract for the administration of the  
15 program.

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

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

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

25 Sec. 487.454 [~~106.254~~]. GRANTS; ELIGIBILITY. (a) Subject  
26 to available funds, the executive committee shall develop and  
27 implement, as a component of the program, a grant program to support



1 employment opportunities in rural and underserved urban areas in  
2 this state for students participating in training or educational  
3 programs to become health care professionals.

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

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

9 (1) apply for the grant on a form adopted by the  
10 executive committee;

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

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

16 (4) comply fully with any practice or requirements  
17 associated with any scholarship, loan, or other similar benefit  
18 received by the student.

19 (d) As a condition of receiving a grant under the program  
20 the student must agree to repay the amount of the grant, plus a  
21 penalty in an amount established by rule of the executive committee  
22 not to exceed two times the amount of the grant, if the student  
23 becomes licensed as a health care professional and fails to  
24 practice or work for at least one year as a health care professional  
25 in a rural or underserved urban area in this state.

26 SECTION 5. Subchapter H, Chapter 106, Health and Safety  
27 Code, as added by Section 1, Chapter 1112, Acts of the 77th

1 Legislature, Regular Session, 2001, is redesignated as Subchapter  
2 L, Chapter 487, Government Code, and amended to read as follows:

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

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

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

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

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

12 Sec. 487.503 [~~106.253~~]. RURAL PHYSICIAN RECRUITMENT  
13 PROGRAM. (a) The office [~~center~~] shall establish a process in  
14 consultation with the Texas Higher Education Coordinating Board for  
15 selecting a Texas medical school to recruit students from rural  
16 communities and encourage them to return to rural communities to  
17 practice medicine.

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

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

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

24 (3) establish a rural medicine curriculum;

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

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

1 (6) establish a rural practice incentive program.

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

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

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

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

14 (2) "Medically underserved community" means a  
15 community that:

16 (A) is located in a county with a population of  
17 50,000 or less;

18 (B) has been designated under state or federal  
19 law as:

20 (i) a health professional shortage area; or

21 (ii) a medically underserved area; or

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

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

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

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

6           (3) one representative from a hospital in a medically  
7 underserved community;

8           (4) one physician practicing in a medically  
9 underserved community;

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

12          (6) one public representative who resides in a  
13 medically underserved community.

14          Sec. 487.553 [~~106.303~~]. LOAN REIMBURSEMENT PROGRAM. The  
15 executive committee shall establish a program in the office  
16 [~~center~~] to assist communities in recruiting health professionals  
17 to practice in medically underserved communities by providing loan  
18 reimbursement for health professionals who serve in those  
19 communities.

20          Sec. 487.554 [~~106.304~~]. STIPEND PROGRAM.       (a)       The  
21 executive committee shall establish a program in the office  
22 [~~center~~] to assist communities in recruiting health professionals  
23 to practice in medically underserved communities by providing a  
24 stipend to health professionals who agree to serve in those  
25 communities.

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

1 (c) A health professional who participates in the program  
2 established under this section must establish an office and  
3 residency in the medically underserved area before receiving any  
4 portion of the stipend.

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

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

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

16 (d) A health professional who participates in any loan  
17 reimbursement program is not eligible for a stipend under Section  
18 487.554 [~~106.304~~].

19 (e) A contract under this section must provide that a health  
20 professional who does not provide the required services to the  
21 community or provides those services for less than the required  
22 time is personally liable to the state for:

23 (1) the total amount of assistance the health  
24 professional received from the office [~~center~~] and the medically  
25 underserved community;

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

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

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

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

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

12 (1) developing contracts under which loan  
13 reimbursement or stipend recipients provide services to qualifying  
14 communities;

15 (2) identifying the duties of the state, state agency,  
16 loan reimbursement or stipend recipient, and medically underserved  
17 community under the loan reimbursement or stipend contract;

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

20 (4) ensuring that a loan reimbursement or stipend  
21 recipient provides access to health services to participants in  
22 government-funded health benefits programs in qualifying  
23 communities;

24 (5) encouraging the use of telecommunications or  
25 telemedicine, as appropriate;

26 (6) prioritizing the provision of loan reimbursements  
27 and stipends to health professionals who are not eligible for any

1 other state loan forgiveness, loan repayment, or stipend program;

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

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

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

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

15 (c) The executive committee shall make reasonable efforts  
16 to contract with health professionals from a variety of different  
17 health professions.

18 Sec. 487.557 [~~106.307~~]. USE OF TELECOMMUNICATION AND  
19 TELEMEDICINE. A health professional who participates in a program  
20 under this subchapter may not use telecommunication technology,  
21 including telemedicine, as the sole or primary method of providing  
22 services and may not use telecommunication technology as a  
23 substitute for providing health care services in person. A health  
24 professional who participates in a program under this subchapter  
25 may use telecommunication technology only to supplement or enhance  
26 the health care services provided by the health professional.

27 Sec. 487.558 [~~106.308~~]. PERMANENT ENDOWMENT FUND. (a) The

1 permanent endowment fund for the rural communities health care  
2 investment program is a special fund in the treasury outside the  
3 general revenue fund.

4 (b) The fund is composed of:

5 (1) money transferred to the fund at the direction of  
6 the legislature;

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

8 (3) the returns received from investment of money in  
9 the fund; and

10 (4) amounts recovered under Section 487.555(e)  
11 [~~106.305(e)~~].

12 Sec. 487.559 [~~106.309~~]. ADMINISTRATION AND USE OF FUND.

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

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



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

3 (d) Annual distributions for the fund shall be determined by  
4 the investment and distribution policy adopted by the administrator  
5 of the fund for the fund's assets.

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

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

15 (g) Sections 403.095 and 404.071, Government Code, do not  
16 apply to the fund. Section 404.094(d), Government Code, applies to  
17 the fund.

18 Sec. 487.560 [~~106.310~~]. REPORTING REQUIREMENT. The office  
19 [~~center~~] shall provide a report on the permanent endowment fund for  
20 the rural communities health care investment program to the  
21 Legislative Budget Board not later than November 1 of each year. The  
22 report must include the total amount of money the office [~~center~~]  
23 received from the fund, the purpose for which the money was used,  
24 and any additional information that may be requested by the  
25 Legislative Budget Board.

26 SECTION 7. Section 38.011(j), Education Code, as added by  
27 Section 1, Chapter 1418, Acts of the 76th Legislature, Regular

1 Session, 1999, as amended by Section 4, Chapter 1424, Acts of the  
2 77th Legislature, Regular Session, 2001, and as amended and  
3 redesignated as Section 38.060(a), Education Code, by Section  
4 4.005, Chapter 1420, Acts of the 77th Legislature, Regular Session,  
5 2001, is reenacted to read as follows:

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

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

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

11 (A) a health professional shortage area;

12 (B) a medically underserved area; or

13 (C) a medically underserved community by the  
14 Office of Rural Community Affairs.

15 SECTION 8. Section 61.0899, Education Code, is amended to  
16 read as follows:

17 Sec. 61.0899. ASSISTANCE IN CERTAIN RURAL HEALTH CARE LOAN  
18 REIMBURSEMENT AND STIPEND PROGRAMS. The board shall, in  
19 cooperation with the Office of Rural Community Affairs [~~Center for~~  
20 ~~Rural Health Initiatives~~] and the office's [~~center's~~] advisory  
21 panel established under Section 487.552 [~~106.302~~], Government  
22 [~~Health and Safety~~] Code, ensure that the board seeks to obtain the  
23 maximum amount of funds from any source, including federal funds,  
24 to support programs to provide student loan reimbursement or  
25 stipends for graduates of degree programs in this state who  
26 practice or agree to practice in a medically underserved community.

27 SECTION 9. Section 110.001, Health and Safety Code, as

1 added by Chapter 1221, Acts of the 77th Legislature, Regular  
2 Session, 2001, is amended to read as follows:

3       Sec. 110.001. CREATION OF FOUNDATION. (a) The Office of  
4 Rural Community Affairs [~~Center for Rural Health Initiatives~~] shall  
5 establish the Rural Foundation as a nonprofit corporation that  
6 complies with the Texas Non-Profit Corporation Act (Article  
7 1396-1.01 et seq., Vernon's Texas Civil Statutes), except as  
8 otherwise provided by this chapter, and qualifies as an  
9 organization exempt from federal income tax under Section  
10 501(c)(3), Internal Revenue Code of 1986, as amended.

11       (b) The Office of Rural Community Affairs [~~Center for Rural~~  
12 ~~Health Initiatives~~] shall ensure that the Rural Foundation operates  
13 independently of any state agency or political subdivision of the  
14 state.

15       SECTION 10. Section 110.002(c), 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       (c) The Rural Foundation shall develop and implement  
19 policies and procedures that clearly separate the responsibilities  
20 and activities of the foundation from the Office of Rural Community  
21 Affairs [~~Center for Rural Health Initiatives~~].

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

25       (a) The Rural Foundation is governed by a board of five  
26 directors appointed by the executive committee of the Office of  
27 Rural Community Affairs [~~Center for Rural Health Initiatives~~] from

1 individuals recommended by the executive director of the Office of  
2 Rural Community Affairs [~~Center for Rural Health Initiatives~~].

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

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

13 (1) the person is an officer, employee, or paid  
14 consultant of a Texas trade association that is in the field of  
15 health care or that contracts with the foundation; or

16 (2) the person's spouse is an officer, manager, or paid  
17 consultant of a Texas trade association that is in the field of  
18 health care or that contracts with the foundation.

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

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

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

6 SECTION 14. Section 110.010, 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. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural  
10 Foundation and the Office of Rural Community Affairs [~~Center for~~  
11 ~~Rural Health Initiatives~~] shall enter into a memorandum of  
12 understanding that:

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

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

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

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

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

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

4 SECTION 16. Section 110.012, Health and Safety Code, as  
5 added by Chapter 1221, Acts of the 77th Legislature, Regular  
6 Session, 2001, is amended to read as follows:

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

14 SECTION 17. Section 155.1025(a), Occupations Code, is  
15 amended to read as follows:

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

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

23 (2) the applicant intends to:

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

1 university-sponsored graduate medical education program;

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

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

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

12 Sec. 531.02172. TELEMEDICINE ADVISORY COMMITTEE. (a) The  
13 commissioner shall establish an advisory committee to assist the  
14 commission in:

15 (1) evaluating policies for telemedical consultations  
16 under Section 531.0217;

17 (2) evaluating policies for telemedicine medical  
18 services or telehealth services pilot programs established under  
19 Section 531.02171;

20 (3) ensuring the efficient and consistent development  
21 and use of telecommunication technology for telemedical  
22 consultations and telemedicine medical services or telehealth  
23 services reimbursed under government-funded health programs;

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

26 (5) coordinating the activities of state agencies  
27 concerned with the use of telemedical consultations and

1 telemedicine medical services or telehealth services.

2 (b) The advisory committee must include:

3 (1) representatives of health and human services  
4 agencies and other state agencies concerned with the use of  
5 telemedical consultations in the Medicaid program and the state  
6 child health plan program, including representatives of:

7 (A) the commission;

8 (B) the Texas Department of Health;

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

11 (D) the Telecommunications Infrastructure Fund  
12 Board;

13 (E) the Texas Department of Insurance;

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

15 (G) the Board of Nurse Examiners; and

16 (H) the Texas State Board of Pharmacy;

17 (2) representatives of health science centers in this  
18 state;

19 (3) experts on telemedicine, telemedical  
20 consultation, and telemedicine medical services or telehealth  
21 services; and

22 (4) representatives of consumers of health services  
23 provided through telemedical consultations and telemedicine  
24 medical services or telehealth services.

25 (c) A member of the advisory committee serves at the will of  
26 the commissioner.

27 SECTION 19. The following provisions are repealed:



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

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

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

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