

1-1 By: Lucio S.B. No. 1500
1-2 (In the Senate - Filed March 10, 2005; March 21, 2005, read
1-3 first time and referred to Committee on Health and Human Services;
1-4 March 31, 2005, rereferred to Committee on International Relations
1-5 and Trade; April 11, 2005, reported favorably by the following
1-6 vote: Yeas 7, Nays 0; April 11, 2005, sent to printer.)

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

1-9 relating to the allocation of federal funds directed to be used to
1-10 support graduate medical education in connection with the state
1-11 Medicaid program.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 32.0315, Human Resources Code, is
1-14 amended by amending Subsection (b) and adding Subsections (a-1) and
1-15 (a-2) to read as follows:

1-16 (a-1) For purposes of allocating funds to a teaching
1-17 hospital under this section, the department shall establish a
1-18 separate formula for funds used to support the training of resident
1-19 physicians in an accredited residency program for a primary care
1-20 field of allopathic or osteopathic medicine that:

1-21 (1) is sponsored by or affiliated with a public
1-22 university in this state; and

1-23 (2) includes clinical training of resident physicians
1-24 in:

1-25 (A) a federally qualified health center, as
1-26 defined by 42 U.S.C. Section 1395x(aa)(4); and

1-27 (B) a hospital that:

1-28 (i) is located within 20 miles of the
1-29 international border with Mexico; and

1-30 (ii) serves patients residing in a rural
1-31 area, as defined by 42 U.S.C. Section 1395ww(d)(2)(D).

1-32 (a-2) In establishing the formula required by Subsection
1-33 (a-1), the department:

1-34 (1) may not place a limit on the number of physician
1-35 residency training slots; and

1-36 (2) must recognize direct and indirect medical
1-37 expenditures of the residency program eligible for reimbursement
1-38 under the medical assistance program to the same extent those
1-39 direct and indirect medical expenditures are recognized under the
1-40 Medicare program.

1-41 (b) The department shall allocate the funds in the manner
1-42 the department determines most effectively and equitably achieves
1-43 the purposes for which those federal funds are received, consistent
1-44 with the needs of this state for graduate medical education and the
1-45 training of resident physicians in accredited residency programs in
1-46 appropriate fields and specialties, taking into account other money
1-47 available to support graduate medical education. In determining
1-48 the needs of this state for graduate medical education, the
1-49 department shall give primary emphasis to graduate medical
1-50 education in primary care specialties and shall also give emphasis
1-51 to graduate medical education in a residency program described by
1-52 Subsection (a-1).

1-53 SECTION 2. If before implementing any provision of this Act
1-54 a state agency determines that a waiver or authorization from a
1-55 federal agency is necessary for implementation of that provision,
1-56 the agency affected by the provision shall request the waiver or
1-57 authorization and may delay implementing that provision until the
1-58 waiver or authorization is granted.

1-59 SECTION 3. This Act takes effect September 1, 2005.

1-60 * * * * *