

Amend **SB 1972** (House Committee Report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 5, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

Sec. 5. The board of directors shall manage, control, and administer the hospital system and all funds and resources of the district, but in no event shall any operating, depreciation, or building fund reserves be invested in any funds or securities authorized by law, including Chapter 2256, Government Code. The board is given full authority to establish rules and regulations relating to seniority of employees of the district, including a retirement plan based thereon, and may give effect to previous years of service for those employees who have been continuously employed in the operation or management of the hospital facilities acquired, including those acquired upon the creation thereof by reason of Section 2 of this Act, or constructed by the district. The district, through its board of directors, shall have the power and authority to sue and be sued, and shall be entitled to all causes of action and defenses enjoyed by similar authorities, to promulgate rules and regulations governing the operation of the hospital, hospital system, its staff, and its employees. The board of directors shall appoint a qualified person to be known as the administrator or manager of the hospital district and may in its discretion appoint an assistant to the administrator or manager. Such administrator or manager and assistant administrator or manager, if any, shall serve at the will of the board and shall receive such compensation as may be fixed by the board. The administrator or manager shall, upon assuming his duties, execute a bond payable to the hospital district in an amount to be set by the board of directors, in no event less than \$500,000 conditioned that he shall perform the duties required of him, and containing such other conditions as the board may require. The administrator or manager shall supervise all the work and activities of the district and shall have general direction of the affairs of the district, subject to the limitations as may be prescribed by the board. The board of directors shall have the authority to appoint to the staff

such doctors as it may be deemed necessary for the efficient operation of the district, and may provide for temporary appointments to the staff if warranted by circumstances. The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district. This section does not authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code. The board may delegate to the administrator or manager the authority to employ technicians, nurses, and employees of the district other than physicians. Such board shall be authorized to contract with any other public or private entity, including a county, municipality, hospital district, or any other political subdivision, or a charitable organization, to provide health care or related services inside or outside of the district.