

By: Uresti

S.B. No. 1189

A BILL TO BE ENTITLED

AN ACT

1
2 relating to ambulatory surgical centers and to the provision of
3 services at those centers by certain designated physician groups.

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

5 SECTION 1. Section 243.002, Health and Safety Code, is
6 amended by amending Subdivision (3) and adding Subdivisions (3-a),
7 (3-b), and (5) to read as follows:

8 (3) "Department" means the [~~Texas~~] Department of State
9 Health Services.

10 (3-a) "Designated physician group" means any business
11 entity formed exclusively by one or more physicians licensed to
12 practice medicine in this state, including a professional
13 association, a professional corporation, a professional limited
14 liability company, or a professional limited liability
15 partnership.

16 (3-b) "Facility" means the physical premises that the
17 department determines constitutes an ambulatory surgical center.

18 (5) "Sublicense agreement" means a written and
19 executed agreement between a licensed ambulatory surgical center
20 and a designated physician group under which the ambulatory
21 surgical center allows the designated physician group to use its
22 facility to provide surgical services to the designated physician
23 group's patients.

24 SECTION 2. The heading to Section 243.003, Health and

1 Safety Code, is amended to read as follows:

2 Sec. 243.003. LICENSE REQUIRED; SUBLICENSE AGREEMENTS.

3 SECTION 3. Section 243.003, Health and Safety Code, is
4 amended by amending Subsection (c) and adding Subsection (d) to
5 read as follows:

6 (c) Except as provided by Subsection (d), a [A] license is
7 not transferable or assignable.

8 (d) An ambulatory surgical center may share its license with
9 a designated physician group under a written sublicense agreement
10 if:

11 (1) the sublicense agreement is filed with and
12 approved by the department; and

13 (2) the sublicense agreement provides that:

14 (A) the ambulatory surgical center remains
15 responsible for ensuring that the facility and all surgical and
16 other services provided by the ambulatory surgical center or in the
17 facility by any designated physician group complies with this
18 chapter and applicable department rules; and

19 (B) all surgical services provided by the
20 designated physician group as an ambulatory surgical center
21 sublicense holder are provided in the facility.

22 SECTION 4. Section 843.002, Insurance Code, is amended by
23 adding Subdivision (1-a) and amending Subdivision (24) to read as
24 follows:

25 (1-a) "Ambulatory surgical center" means a facility
26 licensed under Chapter 243, Health and Safety Code. The term
27 includes a designated physician group operating under a sublicense

1 agreement under Section 243.003, Health and Safety Code.

2 (24) "Provider" means:

3 (A) a person, other than a physician, who is
4 licensed or otherwise authorized to provide a health care service
5 in this state, including:

6 (i) a chiropractor, registered nurse,
7 pharmacist, optometrist, registered optician, or acupuncturist;
8 or

9 (ii) a pharmacy, hospital, ambulatory
10 surgical center, or other institution or organization;

11 (B) a person who is wholly owned or controlled by
12 a provider or by a group of providers who are licensed or otherwise
13 authorized to provide the same health care service; or

14 (C) a person who is wholly owned or controlled by
15 one or more hospitals and physicians, including a
16 physician-hospital organization.

17 SECTION 5. Section 1301.001, Insurance Code, is amended by
18 amending Subdivisions (1) and (4) and adding Subdivision (1-a) to
19 read as follows:

20 (1) "Ambulatory surgical center" means a facility
21 licensed under Chapter 243, Health and Safety Code. The term
22 includes a designated physician group operating under a sublicense
23 agreement under Section 243.003, Health and Safety Code.

24 (1-a) "Health care provider" means a practitioner,
25 institutional provider, or other person or organization that
26 furnishes health care services and that is licensed or otherwise
27 authorized to practice in this state. The term does not include a

1 physician.

2 (4) "Institutional provider" means an ambulatory
3 surgical center, ~~[a]~~ hospital, nursing home, or other medical or
4 health-related service facility that provides care for the sick or
5 injured or other care that may be covered in a health insurance
6 policy.

7 SECTION 6. Section 401.011, Labor Code, is amended by
8 adding Subdivision (4-a) and amending Subdivision (20) to read as
9 follows:

10 (4-a) "Ambulatory surgical center" means a facility
11 licensed under Chapter 243, Health and Safety Code. The term
12 includes a designated physician group operating under a sublicense
13 agreement under Section 243.003, Health and Safety Code.

14 (20) "Health care facility" means a hospital,
15 ambulatory surgical center, emergency clinic, outpatient clinic,
16 or other facility providing health care.

17 SECTION 7. The change in law made by this Act applies only
18 to a sublicense agreement under Section 243.003, Health and Safety
19 Code, as amended by this Act, that is entered into and approved by
20 the Department of State Health Services on or after the effective
21 date of this Act. A sublicense agreement entered into before the
22 effective date of this Act is governed by the law in effect
23 immediately before that date, and that law is continued in effect
24 for that purpose.

25 SECTION 8. This Act takes effect September 1, 2007.