

BILL ANALYSIS

C.S.H.B. 2687
By: Shelton
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas currently faces a shortage of physicians and ranks 43rd in the nation in a state-by-state comparison of physician-to-population ratios. While Texas is attracting more physicians than it has in the past, the rapid growth of the state's population keeps this increase from being commensurate to the need. In addition, there are shortages of physicians in rural and inner-city areas, as well as along the Texas-Mexico border. This shortage results in a lack of primary and preventive care for Texans and forces families to seek medical care in emergency rooms at a far greater cost to the state and its taxpayers. This bill seeks to increase the number of physician residency spots.

C.S.H.B. 2687 establishes a physician residency matching grant program and sets forth requirements and conditions for its operation. The bill provides a funding structure for the program; targets residency placement in underserved communities; and encourages collaboration between medical schools, hospitals, and community health programs.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2687 amends the Education Code to require the Texas Higher Education Coordinating Board to establish and administer the physician residency matching grant program to provide matching grants to eligible residency programs at health care entities, including academic, medical centers, nonprofit community hospitals, county health systems, and community health clinics, that apply to the board in the manner prescribed by the board. The bill authorizes the board to provide grants only to support physician residency positions created on or after January 1, 2010, in fields of medicine experiencing shortages, as determined by the statewide health coordinating council. The bill requires the board to award grants based on each residency program's history or likelihood of placing residents in underserved communities after the program is completed and in amounts that are proportional to the amount of funding that each residency program will receive from community collaborative groups.

C.S.H.B. 2687 requires the board to award grants for all residency positions awarded a grant in the preceding year before awarding a grant for a residency position that did not receive a grant in the preceding year and restricts the use of a grant received by a health care entity to the payment of the faculty costs of educating a resident that are not covered by appropriations under the graduate medical education formula, not to exceed the average statewide faculty cost of educating a resident as determined by the board, and to the payment of salaries of resident physicians in the appropriate programs. The bill caps grant program funding at \$65,000 per year for each residency position for not more than 420 residency positions each year.

C.S.H.B. 2687 prohibits the amount of a grant for a residency position for which a grant was

awarded in the preceding biennium, in each state fiscal biennium following the 2010-2011 biennium, from exceeding the amount of the grant for that residency position in that preceding biennium by an amount that exceeds the increase in funding for each graduate medical education position under the graduate medical education formula in the applicable General Appropriations Act. The bill authorizes the award of grants in that biennium for additional residency positions that were not funded by grants in the preceding biennium. The bill requires the coordinating board to adopt rules for the administration of these provisions.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2687 differs from the original by expressly indicating the nature of the physician residency grant program as a matching grant program in the program name and purpose, whereas the original mentions matching grants only in the criteria used as a basis for awarding the grants.

C.S.H.B. 2687 differs from the original by including academic medical centers among the health care entities with residency programs eligible for matching grants.

C.S.H.B. 2687 restricts the award of grants to the support of physician residency positions created on or after January 1, 2010, in fields of medicine experiencing shortages, as determined by the statewide health coordinating council, whereas the original restricts the award of grants to the support of physician residency programs specifically for family practice, pediatrics, psychiatry, or internal medicine but without regard to when a physician residency position is created.

C.S.H.B. 2687 differs from the original by requiring the Texas Higher Education Coordinating Board to award grants based either on each residency program's history or likelihood of placing residents in underserved communities after the program is completed, whereas the original does not provide for basing a grant award on the likelihood of such placement. The substitute differs from the original by requiring the board to award grants in amounts that are proportional to the amount of funding that each residency position will receive from community collaborative groups rather than the amount of matching funding a residency program will receive from such groups, as in the original. The substitute adds a provision not in the original requiring the board to award grants for all residency positions awarded a grant in the preceding year before awarding a grant for a residency position that did not receive a grant in the preceding year.

C.S.H.B. 2687 differs from the original by authorizing the use of a grant received by a health care entity to the payment of the faculty costs of educating a resident that are not covered by appropriations under the graduate medical education formula, not to exceed the average statewide faculty cost of educating a resident as determined by the board, in addition to the payment of the salaries of resident physicians in the appropriate programs as in the original. The substitute adds provisions not in the original restricting the amount of increase in a grant for a residency position for which a grant was awarded in the preceding biennium, in each state fiscal biennium following the 2010-2011 biennium and authorizing grants to be awarded in that biennium for additional residency positions that were not funded by grants in the preceding biennium.