

BILL ANALYSIS

H.B. 2706
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, dentists, podiatrists, and optometrists have the ability to form and co-own limited liability companies, corporations, non-profit organizations, and partnerships for the purpose of providing health care services. However physicians and chiropractors cannot jointly form any type of business entity.

H.B. 2706 authorizes physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners to organize, manage, and co-own corporations, professional associations, limited liability companies, non-profit corporations, and partnerships for the purpose of providing professional health care services.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2706 amends laws governing a corporation, partnership, professional association, professional limited liability company, and a nonprofit corporation to authorize physicians licensed by the Texas Medical Board and chiropractors licensed by the Texas Board of Chiropractic Examiners to organize as one of those entities that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within their scope of practice. The bill provides that when physicians and chiropractors form such a jointly owned entity, the authority of each of the practitioners is limited by their respective scope of practice and none can exercise control over the other's clinical authority granted by their respective licenses, either through agreements, the certificate of formation or bylaws of the corporation, articles of incorporation, directives, financial incentives, as applicable, or other arrangements that would assert control over treatment decisions made by the practitioner. The bill provides that the Texas Medical Board and the Texas Board of Chiropractic Examiners continue to exercise regulatory authority over their respective licenses.

H.B. 2706 requires a professional service provided by a corporation or nonprofit corporation that is jointly owned by licensed physicians and chiropractors to consist of carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field; supporting medical education in medical schools through grants or scholarships; developing the capabilities of individuals or institutions studying, teaching, or practicing medicine or chiropractic; delivering health care to the public; or instructing the public regarding medical science, public health, hygiene, or a related matter.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.