

BILL ANALYSIS

C.S.H.B. 2994
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County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, hospitals cannot hire physicians directly, but are instead required to use physicians that are actively in private practice. This requirement deters physicians who would otherwise work for the hospital, but do not want to get involved with the minutiae of a private practice. Discarding the requirement would encourage doctors who are willing to contract directly with hospitals to seek employment.

Allowing the Reagan Hospital District to directly hire physicians would help this rural area where there are few physicians and there is no incentive to open a full-fledged practice. The change allowed in C.S.H.B. 2994 would, hopefully, entice physicians to move to rural areas to practice medicine without the burden of establishing a private practice.

C.S.H.B. 2994 also allows the Reagan Hospital District to borrow money from banks, with limitations, and allows the hospital district to issue bonds payable jointly from taxes and revenues. Giving the hospital district more financial flexibility to fund and support ventures that benefit the district results in improvement of care and services for the community.

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

C.S.H.B. 2994 amends Chapter 29, Acts of the 65th Legislature, Regular Session, 1977, to authorize the board of directors of the Reagan Hospital District to borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made and sets forth requirements for securing a loan. The bill requires a loan for which taxes or bonds are pledged to mature not later than the first anniversary of the date the loan is made and a loan for which district revenue is pledged to mature not later than the fifth anniversary of the date the loan is made.

C.S.H.B. 2994 authorizes the board, in addition to the authority to issue general obligation bonds and revenue bonds, to provide for the security and payment of district bonds from a pledge of a combination of property taxes and revenue and other sources. The bill sets forth the authorized uses for proceeds of these bonds.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2994 removes a provision in the original that authorizes the board of directors of the Reagan Hospital District to employ physicians or other health care providers as the board considers necessary for the efficient operation of the district, but provides that this authorization is not to be construed as authorizing the board to supervise or control the practice of medicine as prohibited by the Medical Practice Act.