

## **BILL ANALYSIS**

Senate Research Center  
81R11244 ALB-F

S.B. 1790  
By: Duncan  
Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas is one of only five states that continues to explicitly define or actively enforce some form of the prohibition of the corporate practice of medicine. However, Texas does allow private nonprofit medical schools, school districts, nonprofit health organizations certified by the Texas Medical Board, federally qualified health care centers, and migrant/community/homeless centers to employ physicians. Additionally, the legislature has allowed approximately 10 hospital districts to change their enabling legislation to employ physicians. The state itself is allowed to employ physicians to work in state academic medical centers, state hospitals, and prisons.

Many smaller Texas communities report that the prohibition against the hiring of physicians is a significant factor contributing to the inability to recruit and retain physicians to serve in those communities. When an individual physician is required to establish a sole practitioner office that requires health insurance and retirement benefits, the cost and administrative burden can be a deterrent to agreeing to practice in a small community.

As proposed, S.B. 1790 updates the enabling statute for the Hardeman County Hospital District (district) and requires that an election be held on the uniform election date in May of each year to elect the appropriate number of directors. The bill authorizes the district's board to employ physicians and other health care providers as the board considers necessary for the efficient operation of the district.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1038.051(d), Special District Local Laws, as effective April 1, 2009, to require that an election be held on the uniform election date in May of each year to elect the appropriate number of directors. Deletes existing text that provides that Section 41.001 (Uniform Election Dates), Election Code, applies to an election held under this section.

SECTION 2. Amends Section 1038.052, Special District Local Laws Code, as effective April 1, 2009, to require the board of directors of the Hardeman County Hospital District (board) to publish notice of the election in a newspaper or newspapers that individually or collectively have general circulation in the district in accordance with Section 4.003 (Method of Giving Notice), Election Code, rather than requires the board, at least 30 days before the date of an election of directors to publish notice of the election one time.

SECTION 3. Amends Section 1038.062, Special District Local Laws Code, as effective April 1, 2009, by adding Subsections (e) and (f), as follows:

(e) Authorizes the board to employ physicians and other health care providers as the board considers necessary for the efficient operation of the district.

(f) Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3 (Health Professions), Occupations Code.

SECTION 4. Amends Section 1038.301, Special District Local Laws Code, as effective April 1, 2009, by adding Subsection (e), to provide that Section 41.001(a) (relating to general or special elections being held on certain dates), Election Code, does not apply to an election ordered under this section.

SECTION 5. Repealer: Section 1038.007 (Election Date), Special District Local Laws Code, as effective April 1, 2009.

SECTION 6. Effective date: upon passage or September 1, 2009.