

1-1 By: Watson S.B. No. 814
1-2 (In the Senate - Filed February 12, 2009; March 4, 2009, read
1-3 first time and referred to Committee on Higher Education;
1-4 May 4, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 4, Nays 0; May 4, 2009, sent
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 814 By: Duncan

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to physician education, including repayment assistance
1-11 for certain physician education loans and requirements for family
1-12 practice residency programs.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 61.532, Education Code, is amended to
1-15 read as follows:

1-16 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
1-17 repayment assistance, a physician must apply to the coordinating
1-18 board and have completed at least one year of medical practice:

1-19 (1) in private practice in an economically depressed
1-20 or rural medically underserved area of the state;

1-21 (2) for one of the following state agencies:

1-22 (A) the [Texas] Department of State Health
1-23 Services;

1-24 (B) the [Texas] Department of Aging and
1-25 Disability Services [Mental Health and Mental Retardation];

1-26 (C) the Texas Department of Criminal Justice
1-27 [Corrections]; or

1-28 (D) the Texas Youth Commission; [or]

1-29 (3) for an approved family practice residency training
1-30 program established under Subchapter I as a clinical faculty member
1-31 and have completed training in an approved family practice
1-32 residency training program on or after July 1, 1994; or

1-33 (4) in primary care or in a medical specialty of acute
1-34 physician shortage, as determined by the coordinating board in
1-35 consultation with the Department of State Health Services, and in:

1-36 (A) a hospital or clinic with a patient
1-37 population of whom at least 50 percent are uninsured or receive
1-38 Medicaid; or

1-39 (B) a public hospital, as defined by Section
1-40 61.002, Health and Safety Code.

1-41 (b) The coordinating board may by rule provide for repayment
1-42 assistance on a pro rata basis for physicians practicing as
1-43 described by Subsection (a)(2), (3), or (4) on a part-time basis
1-44 [for an approved family practice residency training program
1-45 established under Subchapter I of this chapter or a state agency
1-46 specified in Subsection (a) of this section].

1-47 SECTION 2. Subsection (a), Section 61.535, Education Code,
1-48 is amended to read as follows:

1-49 (a) The coordinating board shall deliver any repayment made
1-50 under this subchapter in a lump sum payable:

1-51 (1) to both the [lender and the] physician and the
1-52 lender or other holder of the loan; or

1-53 (2) on behalf of the physician, directly to the lender
1-54 or other holder of the loan[, in accordance with federal law].

1-55 SECTION 3. Section 61.536, Education Code, is amended to
1-56 read as follows:

1-57 Sec. 61.536. ADVISORY COMMITTEES. The coordinating board
1-58 may:

1-59 (1) appoint advisory committees from outside the
1-60 board's membership to assist the board in performing its duties
1-61 under this subchapter; and

1-62 (2) request the assistance of the Department of State
1-63 Health Services and the Family Practice Residency Advisory

2-1 Committee in performing those duties.

2-2 SECTION 4. Subsection (a), Section 61.537, Education Code,
2-3 is amended to read as follows:

2-4 (a) The coordinating board shall adopt rules necessary for
2-5 the administration of this subchapter, including rules ~~[a rule]~~
2-6 that:

2-7 (1) provide for the commissioner of higher education
2-8 to set an appropriate ~~[sets a]~~ maximum amount of repayment
2-9 assistance that may be received by a physician in one year, except
2-10 that the maximum amount of repayment assistance that may be
2-11 received in one year by a physician who establishes eligibility
2-12 under Section 61.532(a) may not exceed \$35,000;

2-13 (2) authorize ~~[and a rule that authorizes]~~ the
2-14 Department of State Health Services ~~[Family Practice Residency~~
2-15 ~~Advisory Committee]~~ to establish priorities among eligible
2-16 physicians for repayment assistance, by considering:

2-17 (A) ~~[taking into account]~~ the degree of physician
2-18 shortage;

2-19 (B) [7] geographic locations;

2-20 (C) [7] whether the physician is or will be
2-21 providing service in an economically depressed or rural ~~[a]~~
2-22 medically underserved area or service as described by Section
2-23 61.532(a)(4); ~~[7]~~ and

2-24 (D) other criteria the department ~~[committee]~~
2-25 considers appropriate; and

2-26 (3) administer the program under this subchapter in a
2-27 manner that maximizes any matching funds available through the
2-28 National Health Service Corps program of the United States
2-29 Department of Health and Human Services.

2-30 SECTION 5. Section 61.539, Education Code, is amended by
2-31 amending Subsection (b) and adding Subsection (b-1) to read as
2-32 follows:

2-33 (b) The amount set aside shall be transferred to the
2-34 comptroller of public accounts to be maintained in the state
2-35 treasury for the sole purpose of repayment of student loans of a
2-36 physician serving:

2-37 (1) in a designated state agency;

2-38 (2) ~~[or]~~ in an area of this state that is economically
2-39 depressed or that is a medically underserved area or health
2-40 professional shortage area, as designated by the United States
2-41 Department of Health and Human Services, that has a current
2-42 shortage of physicians; or

2-43 (3) as described by Section 61.532(a)(4).

2-44 (b-1) Section 403.095, Government Code, does not apply to
2-45 the amount set aside by this section.

2-46 SECTION 6. Subsection (b), Section 51.918, Education Code,
2-47 is amended to read as follows:

2-48 (b) The Texas Higher Education Coordinating Board shall:

2-49 (1) encourage and coordinate the creation or expansion
2-50 of a rural preceptor program among medical schools, teaching
2-51 hospitals, nursing schools, and schools of allied health sciences;
2-52 and

2-53 (2) require family practice residency programs to
2-54 provide an opportunity for residents to have a one-month rotation
2-55 through:

2-56 (A) a rural setting; ~~[and]~~

2-57 (B) a public health setting; or

2-58 (C) an oncology setting.

2-59 SECTION 7. As soon as practicable after the effective date
2-60 of this Act, the Texas Higher Education Coordinating Board shall
2-61 adopt rules necessary to administer Subchapter J, Chapter 61,
2-62 Education Code, as amended by this Act.

2-63 SECTION 8. This Act does not make an appropriation. A
2-64 provision in this Act that creates a new governmental program,
2-65 creates a new entitlement, or imposes a new duty on a governmental
2-66 entity is not mandatory during a fiscal period for which the
2-67 legislature has not made a specific appropriation to implement the
2-68 provision.

2-69 SECTION 9. This Act takes effect immediately if it receives

3-1 a vote of two-thirds of all the members elected to each house, as
3-2 provided by Section 39, Article III, Texas Constitution. If this
3-3 Act does not receive the vote necessary for immediate effect, this
3-4 Act takes effect September 1, 2009.

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