

By: Duncan

S.B. No. 1500

A BILL TO BE ENTITLED

AN ACT

relating to the employment of physicians by certain hospitals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 311, Health and Safety Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. EMPLOYMENT OF PHYSICIANS BY CERTAIN HOSPITALS

Sec. 311.061. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a hospital that:

(1) is designated as a critical access hospital under the authority of and in compliance with 42 U.S.C. Section 1395i-4;

(2) is a sole community hospital, as that term is defined by 42 U.S.C. Section 1395ww(d)(5)(D)(iii); or

(3) is located in a county with a population of 50,000 or less.

Sec. 311.062. EMPLOYMENT OF PHYSICIAN PERMITTED. (a) A hospital may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at the hospital.

(b) A hospital located in a county with a population of 50,000 or less may continue to employ any physicians employed by the hospital on or before the date of release of a federal decennial census that shows the county's population exceeds 50,000. The hospital may not employ a new physician after that date.

Sec. 311.063. HOSPITAL POLICIES. (a) A hospital shall

1 adopt and maintain policies to ensure that a physician employed
2 under this subchapter whose professional income is retained under
3 Section 311.062 exercises the physician's independent medical
4 judgment in providing care to patients at the hospital.

5 (b) The policies adopted under this section must include
6 policies relating to:

- 7 (1) credentialing;
- 8 (2) quality assurance;
- 9 (3) utilization review;
- 10 (4) peer review;
- 11 (5) medical decision-making; and
- 12 (6) due process.

13 Sec. 311.064. CREDENTIALING AND PRIVILEGES. (a) A
14 physician employed by a hospital is subject to the same standards
15 and procedures regarding credentialing, peer review, quality of
16 care, and privileges as a physician not employed by the hospital.

17 (b) A hospital shall give equal consideration regarding the
18 issuance of credentials and privileges to physicians employed by
19 the hospital and physicians not employed by the hospital.

20 Sec. 311.065. OTHER HOSPITAL-PHYSICIAN RELATIONSHIPS.
21 This subchapter may not be construed as altering, voiding, or
22 prohibiting any relationship between a hospital and a physician,
23 including a contract or arrangement with an approved nonprofit
24 health corporation that is certified under Section 162.001(b),
25 Occupations Code, and that holds a certificate of authority issued
26 under Chapter 844, Insurance Code.

27 SECTION 2. This Act takes effect September 1, 2009.