

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB1500 by Duncan (Relating to the employment of physicians by certain hospitals.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to authorize certain hospitals to employ a physician and retain all or part of the professional income generated by the physician for medical services provided at the hospital. The hospital would be required to adopt and maintain policies to ensure independent medical judgment of those physicians is exercised in providing care to the hospital's patients. The bill would also amend the Occupations Code to require the Texas Medical Board to certify a health organization to employ physicians licensed by the Board. The bill also lists the employer and employee requirements that would apply to an organization that would be certified.

Based on the analysis of the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

According to the Texas Hospital Association, provisions of the bill would provide a significant positive fiscal impact to the applicable hospitals.

Source Agencies: 503 Texas Medical Board

LBB Staff: JOB, KJG, NV, DB