

Amend CSSB 23 by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 262.023(b), Health and Safety Code, is amended to read as follows:

(b) The board may delegate to the manager or executive director the authority to manage the hospital and to employ and discharge employees other than physicians hired in accordance with Section 262.0235.

SECTION \_\_\_\_\_. Subchapter C, Chapter 262, Health and Safety Code, is amended by adding Section 262.0235 to read as follows:

Sec. 262.0235. EMPLOYMENT OF PHYSICIANS. (a) This section applies only to an authority that is created by the governing body of a municipality with a population of less than 10,000 and that owns or operates a hospital with more than 50 licensed beds.

(b) The board of an authority may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the authority if the board satisfies the requirements of this section.

(c) The board of an authority shall:

(1) appoint a chief medical officer for the authority who has been recommended by the medical staff of the authority; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the authority exercises the physician's independent medical judgment in providing care to patients.

(d) The policies adopted under this section must include:

(1) policies relating to:

(A) credentialing and privileges;

(B) quality assurance;

(C) utilization review;

(D) peer review and due process; and

(E) medical decision-making; and

(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

(e) The policies adopted under this section must be approved by the medical staff of the authority. The medical staff of the authority and the board shall jointly develop and implement a conflict management policy to resolve any conflict between a medical staff policy and a board policy.

(f) For all matters relating to the practice of medicine, each physician employed by an authority shall ultimately report to the chief medical officer of the authority.

(g) The chief medical officer shall notify the Texas Medical Board that the board is employing physicians under this section and that the chief medical officer is the board's designated contact with the Texas Medical Board. The chief medical officer shall immediately report to the Texas Medical Board any action or event that the chief medical officer reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(h) The board of an authority shall give equal consideration regarding the issuance of medical staff membership and privileges to physicians employed by the authority and physicians not employed by the authority.

(i) A physician employed by an authority shall retain independent medical judgment in providing care to patients and may not be disciplined for reasonably advocating for patient care.

(j) If an authority provides professional liability coverage for physicians employed by the authority, a physician employed by the authority may participate in the selection of the professional liability coverage, has the right to an independent defense at the physician's own cost, and retains the right to consent to the settlement of any action or proceeding brought against the physician.

(k) If a physician employed by an authority enters into an employment agreement that includes a covenant not to compete, the agreement is subject to Section 15.50, Business & Commerce Code.

(l) The board of an authority may not delegate to the manager or executive director of a hospital owned or operated by the hospital authority the authority to hire a physician.

(m) This section may not be construed as authorizing the

board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.