

BILL ANALYSIS

C.S.H.B. 729
By: Chisum
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas has a shortage of health care professionals, which particularly hurts rural Texas. Providing a rural hospital with the ability to employ a doctor can make it significantly easier to attract a doctor to practice at the hospital. C.S.H.B. 729 authorizes the board of directors of the Ochiltree County Hospital District to employ health care providers and prohibits such authorization from being construed as authorizing the governing body of a hospital to supervise or control the practice of medicine.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 729 amends the Special District Local Laws Code to expand the authority of the board of directors of the Ochiltree County Hospital District to employ certain persons to include employing physicians and other health care providers. The bill makes the authorization of the board to delegate to the district administrator the authority to hire employees applicable to the hiring of employees other than physicians. The bill prohibits provisions of law relating to the administration of the hospital district from being construed as authorizing the governing body of a hospital to supervise or control the practice of medicine, as prohibited under the Medical Practice Act.

C.S.H.B. 729 authorizes the board of directors of the hospital district to employ a physician and retain all or part of the professional income generated by the physician for medical services provided at the hospital and other health facilities owned or operated by the hospital if the hospital satisfies the requirements prescribed by provisions of law relating to the administration of the hospital district. The bill requires the board to appoint a chief medical officer, who may be a member of the hospital's medical staff and to adopt, maintain, and enforce policies to ensure that a physician employed by the hospital exercises the physician's independent medical judgment in providing care to patients at the hospital. The bill requires such policies to include policies relating to credentialing, quality assurance, utilization review, peer review, and medical decision-making and to include the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

C.S.H.B. 729 requires such policies to be approved by the chief medical officer of the hospital and to control and prevail in the event of a conflict with any other policies of a hospital under provisions of law relating to the administration of the hospital district. The bill requires each physician employed by the hospital to ultimately report to the chief medical officer of the hospital for all matters relating to the practice of medicine. The bill requires the chief medical officer to 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 729 differs from the original by prohibiting provisions of law relating to the administration of the Ochiltree County Hospital District from being construed as authorizing the governing body of a hospital to supervise or control the practice of medicine, whereas the original prohibits provisions of law relating to employees of the hospital district from being construed as authorizing the board of directors of the hospital district to supervise or control the practice of medicine. The substitute contains provisions not included in the original authorizing the board to employ a physician and to retain all or part of the income generated by the physician if the hospital satisfies certain requirements and requiring the board to appoint a chief medical officer and adopt, maintain, and enforce certain policies relating to a physician's independent medical judgment. The substitute contains provisions not included in the original establishing criteria for the policies and the policies' control in the event of a conflict over other hospital policies and requiring approval of the policies by the hospital's chief medical officer.

C.S.H.B. 729 contains provisions not included in the original requiring a physician employed by the hospital to ultimately report to the chief medical officer of the hospital for all matters relating to the practice of medicine and requiring the chief medical officer to immediately report to the Texas Medical Board certain actions or events relating to the independent medical judgment of a physician. The substitute differs from the original by making a nonsubstantive change.