

## **BILL ANALYSIS**

C.S.H.B. 1990  
By: Hardcastle  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Like other rural hospital districts across Texas, the Hardeman County Hospital District has difficulty recruiting and retaining physicians, which limits access to health care by residents of the district. Directly employing physicians allows the district to provide the economic security necessary for a physician to relocate and reside in the community and will help the district to recruit and retain physicians to provide medical services. C.S.H.B. 1990 seeks to address these issues by authorizing the board of directors of the Hardeman County Hospital District to employ physicians and other health care providers.

### **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. 1990 amends the Special District Local Laws Code to authorize the board of directors of the Hardeman County Hospital District to employ physicians and other health care providers as necessary for the efficient operation of the district. The bill prohibits the board from delegating to the district administrator the authority to employ physicians. The bill prohibits provisions of law relating to district staff and employees, as amended by the bill, from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by the Medical Practice Act. The bill authorizes the board 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 of law relating to administration of the 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. The bill requires the adopted policies to be approved by the hospital's chief medical officer.

C.S.H.B. 1990 requires each physician employed by the hospital ultimately to report to the hospital's chief medical officer for all matters relating to the practice of medicine. The bill requires adopted policies to be approved by the hospital's chief medical officer and to control and prevail in the event of a conflict with any other hospital policies relating to the appointment and recruitment of staff and employees. The bill requires the chief medical officer to report immediately 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. The bill makes a conforming change.

**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. 1990 contains a provision not included in the original authorizing the board to employ a physician and retain all or part of the professional income generated by the physician for medical services if the board satisfies certain applicable requirements. The substitute contains provisions not included in the original requiring the appointment of a chief medical officer, requiring the adoption, maintenance, and enforcement of policies regarding a physician's independent medical judgment and establishing content requirements for such policies, requiring approval of the policies by the hospital's chief medical officer and prevalence over a conflicting district policy, and establishing reporting requirements for each physician to the chief medical officer on matters relating to the practice of medicine and for the chief medical officer to the Texas Medical Board on matters relating to a compromise of a physician's independent medical judgment.