

By: Shelton

H.B. No. 987

A BILL TO BE ENTITLED

AN ACT

relating to a physician residency grant program and other programs to support graduate medical education.

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

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter I-1 to read as follows:

SUBCHAPTER I-1. PHYSICIAN RESIDENCY GRANTS

Sec. 61.511. PHYSICIAN RESIDENCY GRANT PROGRAM. (a) The board shall establish and administer the physician residency grant program to provide grants to accredited residency programs at health care entities, including academic medical centers, nonprofit community hospitals, county health systems, and community health clinics, that apply to the board in the manner prescribed by the board. The board shall establish reasonable eligibility criteria for grant recipients as appropriate to achieve the purposes of this subchapter.

(b) The board may provide grants only to support physician residency positions created on or after January 1, 2012.

(c) The board shall award grants to residency programs in the following order of priority:

(1) programs offered by health care entities that are located in underserved communities;

(2) programs offered by health care entities that, for the purpose of receiving matching funds, enter into partnership

1 agreements with other entities, including health care entities,
2 corporations, or community collaborative groups; and

3 (3) programs offered by health care entities that have
4 demonstrated an ability to maintain those programs over time.

5 (d) The board shall award grants for all residency positions
6 awarded a grant under this section in the preceding year before
7 awarding a grant for a residency position that did not receive a
8 grant in the preceding year.

9 (e) A grant received by a health care entity under this
10 section may be used only to:

11 (1) pay all or part of the salaries of resident
12 physicians in the appropriate programs; and

13 (2) supplement the salaries of teaching faculty and
14 program administrators.

15 (f) For each residency position, the grant program may
16 provide funding of not more than \$65,000 each year for the resident
17 physician's salary and supplemental funding of not more than \$8,000
18 for the salaries of teaching faculty and program administrators.
19 The grant program may not provide funding for more than 420
20 residency positions each year.

21 (g) Under the grant program, the board shall:

22 (1) provide funding to ensure that each resident
23 physician's salary is paid at a level that:

24 (A) is competitive with the salaries of other
25 resident physicians working within the same specialty in this
26 state; and

27 (B) as determined by the board, exceeds the

1 average statewide salary for resident physicians, other than
2 resident physicians whose salaries are funded under the grant
3 program; and

4 (2) make appropriate recommendations for legislative
5 changes as necessary, if the amounts described by Subsection (f)
6 are not sufficient for the purposes of this subsection.

7 (h) The board shall require the return of any unused grant
8 money by, or shall decline to award additional grants to, a
9 residency program that receives a grant but fails to create, within
10 a reasonable period, the number of residency positions proposed in
11 the program's grant application. The board may restore grant money
12 or award additional grants, as applicable, on the program's
13 creation of the proposed number of positions.

14 (i) The board shall adopt rules for the administration of
15 this section.

16 SECTION 2. Section 61.0594, Education Code, is transferred
17 to Subchapter I-1, Chapter 61, Education Code, as added by this Act,
18 and redesignated as Section 61.512, Education Code, to read as
19 follows:

20 Sec. 61.512 [~~61.0594~~]. COORDINATED FUNDING OF GRADUATE
21 MEDICAL EDUCATION. (a) The board shall administer a program to
22 support graduate medical education programs in this state
23 consistent with the needs of this state for graduate medical
24 education and the training of resident physicians in accredited
25 residency programs in appropriate fields and specialties,
26 including primary care specialties described by Section 58.008(a).

27 (b) From money available to the program, the board may make

1 grants or formula distributions to:

2 (1) support appropriate graduate medical education
3 programs and activities for which adequate funds are not otherwise
4 available; or

5 (2) foster new or expanded graduate medical education
6 programs or activities that the board determines will address the
7 state's needs for graduate medical education.

8 (c) To be eligible to receive a grant or distribution under
9 this section, an institution or other entity must incur the costs of
10 faculty supervision and education or the stipend costs of resident
11 physicians in accredited clinical residency programs in this state.
12 In making grants and distributions under this section, the board
13 shall give consideration to the costs incurred by medical schools
14 or other entities to support faculty responsible for the education
15 or supervision of resident physicians in accredited graduate
16 medical education programs, including programs in osteopathic
17 medical education.

18 (d) The program is funded by appropriations, by gifts,
19 grants, and donations made to support the program, and by any other
20 funds the board obtains, including federal funds, for the program.
21 From program funds, the comptroller of public accounts shall issue
22 warrants to each institution or other entity determined by the
23 board as eligible to receive a grant or distribution from the
24 program in the amount certified by the board. An amount granted to
25 an institution or other entity under the program may be used only to
26 cover expenses of training residents of the particular program or
27 activity for which the award is made in accordance with any

1 conditions imposed by the board and may not otherwise be expended
2 for the general support of the institution or entity.

3 (e) The board shall appoint an advisory committee to advise
4 the board regarding the development and administration of the
5 program, including considering requests for program grants and
6 establishing formulas for distribution of money under the program.
7 The advisory committee shall consist of:

8 (1) the executive director of the Texas State Board of
9 Medical Examiners or the executive director's designee;

10 (2) the chair of the Family Practice Residency
11 Advisory Committee or the chair's designee;

12 (3) the chair of the Primary Care Residency Advisory
13 Committee or the chair's designee;

14 (4) the commissioner of the Health and Human Services
15 Commission or the commissioner's designee; and

16 (5) the following members appointed by the board:

17 (A) one representative of a teaching hospital
18 affiliated with a Texas medical school;

19 (B) one representative of a teaching hospital not
20 affiliated with a Texas medical school;

21 (C) three representatives of medical schools, at
22 least one representing a medical school in The University of Texas
23 System, and at least one representing a medical school not in The
24 University of Texas System;

25 (D) two physicians active in private practice,
26 one of whom must be a generalist;

27 (E) one doctor of osteopathic medicine active in

1 private practice;

2 (F) one representative of an entity providing
3 managed health care;

4 (G) three clinical faculty members, at least one
5 of whom must be a generalist;

6 (H) one resident physician, who is a nonvoting
7 member; and

8 (I) one medical student, who is a nonvoting
9 member.

10 (f) The appointed advisory committee members serve
11 staggered three-year terms. The board shall make the initial
12 committee appointments to terms of one, two, and three years as
13 necessary so that one-third of the appointed members' terms expire
14 each year, as nearly as practicable. The committee shall elect one
15 of its members as presiding officer for a term of one year. The
16 committee shall meet at least once each year at the times requested
17 by the board or set by the presiding officer of the committee. A
18 member of the advisory committee may not be compensated for service
19 on the committee but is entitled to be reimbursed by the board for
20 actual expenses incurred in the performance of the member's duties
21 as a committee member.

22 (g) The advisory committee shall:

23 (1) review applications for funding of graduate
24 medical education programs under this section and make
25 recommendations for approval or disapproval of those applications;

26 (2) make recommendations relating to the standards and
27 criteria used for consideration and approval of grants or for the

1 development of formulas for distribution of funding under this
2 section;

3 (3) recommend to the board an allocation of funds
4 among medical schools, teaching hospitals, and other entities that
5 may receive funds under this section; and

6 (4) perform other duties assigned by the board.

7 SECTION 3. This Act takes effect September 1, 2011.