

By: J. Davis of Harris

H.B. No. 2098

A BILL TO BE ENTITLED

AN ACT

relating to the authority of physicians and physician assistants to form certain entities.

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

SECTION 1. Subchapter B, Chapter 22, Business Organizations Code, is amended by adding Section 22.0561 to read as follows:

Sec. 22.0561. CORPORATIONS FORMED BY PHYSICIANS AND PHYSICIAN ASSISTANTS. (a) Physicians licensed under Subtitle C, Title 3, Occupations Code, and physician assistants licensed under Chapter 204, Occupations Code, may form a corporation to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

(2) supporting medical education in medical schools through grants or scholarships;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine or acting as a physician assistant;

(4) delivering health care to the public; or

(5) instructing the public regarding medical science, public health, hygiene, or a related matter.

(b) When physicians and physician assistants form a

1 corporation, the authority of each of the practitioners is limited  
2 by the scope of practice of the respective practitioners. The  
3 organizers of the entity shall ensure that a physician or  
4 physicians control and manage the aspects of the entity relating to  
5 the practice of medicine. The Texas Medical Board and the Texas  
6 Physician Assistant Board continue to exercise regulatory  
7 authority over their respective license holders according to  
8 applicable law.

9 (c) Nothing in this section may be construed to allow the  
10 practice of medicine by someone not licensed as a physician under  
11 Subtitle B, Title 3, Occupations Code, or to allow a person not  
12 licensed as a physician to direct the activities of a physician in  
13 the practice of medicine.

14 (d) A physician assistant or combination of physician  
15 assistants may have only a minority ownership interest in an entity  
16 created under this section.

17 SECTION 2. Subchapter B, Chapter 152, Business  
18 Organizations Code, is amended by adding Section 152.0551 to read  
19 as follows:

20 Sec. 152.0551. PARTNERSHIPS FORMED BY PHYSICIANS AND  
21 PHYSICIAN ASSISTANTS. (a) Physicians licensed under Subtitle B,  
22 Title 3, Occupations Code, and physician assistants licensed under  
23 Chapter 204, Occupations Code, may create a partnership to perform  
24 a professional service that falls within the scope of practice of  
25 those practitioners.

26 (b) When physicians and physician assistants create a  
27 partnership, the authority of each of the practitioners is limited

1 by the scope of practice of the respective practitioners. The  
2 organizers of the entity shall ensure that a physician or  
3 physicians control and manage the aspects of the entity relating to  
4 the practice of medicine.

5 (c) Nothing in this section may be construed to allow the  
6 practice of medicine by someone not licensed as a physician under  
7 Subtitle B, Title 3, Occupations Code, or to allow a person not  
8 licensed as a physician to direct the activities of a physician in  
9 the practice of medicine.

10 (d) A physician assistant or combination of physician  
11 assistants may have only a minority ownership interest in an entity  
12 created under this section.

13 (e) The Texas Medical Board and the Texas Physician  
14 Assistant Board continue to exercise regulatory authority over  
15 their respective license holders according to applicable law.

16 SECTION 3. Section 301.012, Business Organizations Code, is  
17 amended by adding Subsections (a-1), (a-2), and (a-3) to read as  
18 follows:

19 (a-1) Persons licensed as physicians under Subtitle B,  
20 Title 3, Occupations Code, and persons licensed as physician  
21 assistants under Chapter 204, Occupations Code, may form and own a  
22 professional association or a professional limited liability  
23 company to perform professional services that fall within the scope  
24 of practice of those practitioners.

25 (a-2) Nothing in this section may be construed to allow the  
26 practice of medicine by someone not licensed as a physician under  
27 Subtitle B, Title 3, Occupations Code, or to allow a person not

1 licensed as a physician to direct the activities of a physician in  
2 the practice of medicine.

3 (a-3) A physician assistant or combination of physician  
4 assistants may have only a minority ownership interest in an entity  
5 created under this section.

6 SECTION 4. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2011.