

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 13, 2011**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: SB894** by Duncan (Relating to employment of physicians by certain hospitals.), **As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Health and Safety Code to authorize certain hospitals 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 care facilities owned and operated by the hospital if the hospital meets requirements as defined by the provisions of the bill.

The hospital would be required to appoint a chief medical officer who has been recommended by the medical staff of the hospital and approved by the governing board of the hospital. The hospital would be required to adopt policies approved by the medical staff of the hospital, and to maintain the policies to ensure independent medical judgment of the physicians is exercised in providing care to patients at the hospital and other health care facilities owned or operated by the hospital. The chief medical officer would be required to notify the Texas Medical Board (TMB) that the hospital is employing physicians under this subchapter and that the chief medical officer will be the hospital's designated contact with TMB.

Based on the analysis of the Texas Medical Board, duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources.

**Local Government Impact**

There could be a significant positive fiscal impact to the applicable hospitals and health care facilities related to certain provisions of the bill, but the amounts would vary depending on the provisions implemented by an applicable hospital or health care facility.

**Source Agencies:** 503 Texas Medical Board

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