

**House Bill 811**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (CS)	CONFERENCE
<p>SECTION 1. Subtitle A, Title 3, Special District Local Laws Code, is amended by adding Chapter 1119 to read as follows:</p> <p><u>CHAPTER 1119. SCURRY COUNTY HOSPITAL DISTRICT</u></p> <p><u>SUBCHAPTER A. GENERAL PROVISIONS</u></p> <p><u>Sec. 1119.001. DEFINITIONS. In this chapter:</u></p> <p><u>(1) "Board" means the board of directors of the district.</u></p> <p><u>(2) "District" means the Scurry County Hospital District.</u></p> <p><u>[Sections 1119.002-1119.050 reserved for expansion]</u></p> <p><u>SUBCHAPTER B. DISTRICT ADMINISTRATION</u></p> <p><u>Sec. 1119.051. EMPLOYMENT OF HEALTH CARE PROVIDERS. (a) The board may employ health care providers other than physicians as the board considers necessary for the efficient operation of the district.</u></p> <p><u>(b) The board may employ physicians, but only as provided by Section 1119.052.</u></p> <p><u>(c) The board may delegate to the administrator of the district the authority to employ health care providers under Subsection (a).</u></p> <p><u>Sec. 1119.052. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the district if the board satisfies the requirements of this section.</u></p> <p><u>(b) The board shall:</u></p> <p><u>(1) appoint a chief medical officer for the district; and</u></p> <p><u>(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients.</u></p> <p><u>(c) The policies adopted under this section must include:</u></p> <p><u>(1) policies relating to:</u></p>	<p>SECTION 1. Subtitle A, Title 3, Special District Local Laws Code, is amended by adding Chapter 1119 to read as follows:</p> <p><u>CHAPTER 1119. SCURRY COUNTY HOSPITAL DISTRICT</u></p> <p><u>SUBCHAPTER A. GENERAL PROVISIONS</u></p> <p><u>Sec. 1119.001. DEFINITIONS. In this chapter:</u></p> <p><u>(1) "Board" means the board of directors of the district.</u></p> <p><u>(2) "District" means the Scurry County Hospital District.</u></p> <p><u>[Sections 1119.002-1119.050 reserved for expansion]</u></p> <p><u>SUBCHAPTER B. DISTRICT ADMINISTRATION</u></p> <p><u>Sec. 1119.051. EMPLOYMENT OF HEALTH CARE PROVIDERS. (a) The board may employ health care providers other than physicians as the board considers necessary for the efficient operation of the district.</u></p> <p><u>(b) The board may delegate to the administrator of the district the authority to employ health care providers under Subsection (a).</u></p>	

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(A) credentialing;  
(B) quality assurance;  
(C) utilization review;  
(D) peer review; and  
(E) medical decision-making; and  
(2) the implementation of a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.  
(d) The policies adopted under this section:  
(1) must be approved by the chief medical officer of the district; and  
(2) shall prevail over a conflicting policy of the district.  
(e) For all matters relating to the practice of medicine, each physician employed by the board shall ultimately report to the chief medical officer of the district.  
(f) The chief medical officer will 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.  
(g) The board may not delegate to the administrator of the district the authority to hire a physician.  
(h) This section may not be construed as authorizing the board to supervise or control the practice of medicine as prohibited under Subtitle B, Title 3, Occupations Code.

[Sections 1119.053-1119.100 reserved for expansion]  
SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS  
Sec. 1119.101. GENERAL AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money at a rate not to exceed the maximum annual percentage rate allowed by law for district obligations at the time the loan is made.

[Sections 1119.052-1119.100 reserved for expansion]  
SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS  
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(b) To secure a loan, the board may pledge:  
(1) district revenue that is not pledged to pay the district's bonded indebtedness;  
(2) a district tax to be imposed by the district during the 12-month period following the date of the pledge that is not pledged to pay the principal of or interest on district bonds; or  
(3) district bonds that have been authorized but not sold.  
(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date the loan is made. A loan for which district revenue is pledged must mature not later than the fifth anniversary of the date the loan is made.  
[Sections 1119.102-1119.150 reserved for expansion]

SUBCHAPTER D. BONDS

Sec. 1119.151. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under Subchapter G, Chapter 286, Health and Safety Code, the board may provide for the security and repayment of district bonds from a pledge of a combination of taxes as authorized by Section 286.142, Health and Safety Code, and revenue and other sources as authorized by Section 286.144, Health and Safety Code.

Sec. 1119.152. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under Chapter 286, Health and Safety Code, to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;  
(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;  
(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds;

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(A) during an estimated period of acquisition or construction, not to exceed five years; and  
(B) for one year after the project or facility is acquired or constructed;  
(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;  
(5) costs related to the bond issuance;  
(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and  
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.

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(6) costs related to the acquisition of land or interests in land for a project or facility to be provided through the bonds; and  
(7) costs of construction of a project or facility to be provided through the bonds, including the payment of related professional services and expenses.

SECTION 2. Same as House version.

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