

**House Bill 1413**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Sections 1013.052 and 1013.062, Special District Local Laws Code, are amended to read as follows:

Sec. 1013.052. NOTICE OF ELECTION. ~~Notice [Not earlier than the 30th day or later than the 10th day before the date] of an election of directors [notice of the election] shall be published [one time] in a newspaper of general circulation in Castro County in accordance with Section 4.003, Election Code.~~

Sec. 1013.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES. (a) The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

- (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses;
- (3) providing a loan or scholarship to a physician or a person who:
  - (A) is currently enrolled in health care education courses at an institution of higher education; and
  - (B) contractually agrees to become a district employee or medical staff member; and
- (4) providing on a rent-free basis or subsidizing the cost of office space or other facilities for a health care professional, including a physician.

(b) The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district.

(c) This section may not be construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

(d) The board may employ a physician and retain all or part of the professional income generated by the physician for

SENATE VERSION (CS)

SECTION 1. Section 1013.052, Special District Local Laws Code, is amended to read as follows:

Sec. 1013.052. NOTICE OF ELECTION. ~~Notice [Not earlier than the 30th day or later than the 10th day before the date] of an election of directors [notice of the election] shall be published [one time] in a newspaper of general circulation in Castro County in accordance with Section 4.003, Election Code.~~

CONFERENCE

**House Bill 1413**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

medical services provided at the hospital and other health facilities owned or operated by the hospital if the hospital satisfies the requirements of this subchapter.

(e) The board shall:

(1) appoint a chief medical officer, who may be a member of the hospital's medical staff; and

(2) 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.

(f) The policies adopted under this section must include:

(1) policies relating to:

(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.

(g) For all matters relating to the practice of medicine, each physician employed by the hospital under this subchapter shall ultimately report to the chief medical officer of the hospital.

(h) The policies adopted under this section:

(1) must be approved by the chief medical officer of the hospital; and

(2) shall control and prevail in the event of a conflict with any other policies of a hospital under this subchapter.

(i) The chief medical officer shall immediately report 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

SENATE VERSION (CS)

CONFERENCE

**House Bill 1413**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

judgment of a physician in caring for a patient.

SECTION 2. Subchapter E, Chapter 1013, Special District Local Laws Code, is amended by adding Sections 1013.209 and 1013.210 to read as follows:

Sec. 1013.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1013.202 and revenue and other sources authorized by Section 1013.206.

Sec. 1013.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter 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:
  - (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

SECTION 2. Same as House version.

**House Bill 1413**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

(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 3. 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.

SENATE VERSION (CS)

SECTION 3. Same as House version.

CONFERENCE