

BILL ANALYSIS

H.B. 3905
By: Bonnen, Dennis
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that the enabling legislation of the Angleton-Danbury Hospital District of Brazoria County, Texas, was enacted by the legislature several decades ago and codified several years ago, and that the district would like to amend the legislation to, among other things, allow the district to employ physicians and other health care providers. The district is a rural hospital located in an urban county and has great difficulty recruiting and retaining physicians, which limits access to health care by district residents. The parties contend that directly employing physicians will allow the district to provide economic security adequate for a physician to relocate and reside in the community and will help the district to recruit and retain physicians. H.B. 3905 seeks to address these issues.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3905 amends the Special District Local Laws Code to establish and revise provisions applicable to the Angleton-Danbury Hospital District of Brazoria County, Texas. The bill authorizes the district board of directors to 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 requirements as provided by the bill.

H.B. 3905 requires the board to appoint a chief medical officer for the district who has been recommended by the district medical staff and to adopt, maintain, and enforce policies to ensure that a district-employed physician exercises the physician's independent medical judgment in providing care to patients. The bill sets out certain requirements for adopted policies, requires approval of the policies by the hospital medical staff, and, in the event of a conflict between such a policy adopted by the board and approved by the medical staff and a policy of the hospital, requires a conflict management process to be jointly developed by the hospital medical staff and the board and implemented to resolve that conflict.

H.B. 3905 requires each district-employed physician to ultimately report to the district chief medical officer for all matters relating to the practice of medicine and sets out the chief medical officer's notification and reporting requirements relating to the Texas Medical Board. The bill requires the board of directors of the district to give equal consideration regarding the issuance of medical staff membership and privileges to district-employed physicians and physicians not employed by the district, requires a district-employed physician to retain independent medical judgment in providing care to patients and prohibits such a physician from being disciplined for reasonably advocating for patient care, and sets out language regarding professional liability coverage for a district-employed physician if the district provides such coverage.

H.B. 3905 makes an employment agreement entered into by a district-employed physician that includes a covenant not to compete subject to certain Business & Commerce Code provisions regarding criteria for enforceability of such a covenant and to any other applicable provision. The bill prohibits the board from delegating to the district's chief executive officer the authority to hire, terminate, or make any other personnel decisions relating to a physician. The bill makes its provisions relating to employment of physicians applicable to medical services provided by a physician at a hospital or other health care facility owned or operated by the district. The bill prohibits such provisions from being construed as authorizing the board to supervise or control the practice of medicine as prohibited under the Medical Practice Act.

H.B. 3905 requires the board to determine the type, number, and location of buildings necessary to establish and maintain office facilities for, in addition to staff physicians, district-employed physicians and other licensed health care professionals to provide adequate health care services for the district within the licensed health care professionals' scope of license, and makes related changes. The bill increases from two years to five years the minimum period that a bank serves as the district's depository. The bill authorizes the board to pledge certain revenue, taxes, or district bonds to secure a line of credit.

H.B. 3905, effective January 1, 2014, establishes that district directors serve staggered four-year terms, rather than staggered two-year terms if four-year terms are not established under certain statutory provisions. The bill requires the district to hold an election each odd-numbered year to elect the appropriate number of directors.

H.B. 3905 establishes provisions regarding district directors' elections in May of 2014, 2015, 2017, and 2019.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2013.