

AN ACT

relating to the authority of the board of directors of the Nacogdoches County Hospital District to employ physicians.

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

SECTION 1. The heading to Section 1069.060, Special District Local Laws Code, as effective April 1, 2013, is amended to read as follows:

Sec. 1069.060. ~~[APPOINTMENT OF]~~ STAFF AND EMPLOYEES.

SECTION 2. Section 1069.060, Special District Local Laws Code, as effective April 1, 2013, is amended by adding Subsection (b-1) and amending Subsection (c) to read as follows:

(b-1) The board may employ physicians, but only as provided by Section 1069.0605.

(c) Except as provided by Section 1069.0605, the ~~[The]~~ board may provide that the district administrator has the authority to employ district employees, including technicians and nurses.

SECTION 3. Subchapter B, Chapter 1069, Special District Local Laws Code, as effective April 1, 2013, is amended by adding Section 1069.0605 to read as follows:

Sec. 1069.0605. 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.

1 (b) The board shall:

2 (1) appoint a chief medical officer for the district
3 who has been recommended by the medical staff of the district; and

4 (2) adopt, maintain, and enforce policies to ensure
5 that a physician employed by the district exercises the physician's
6 independent medical judgment in providing care to patients.

7 (c) The policies adopted under this section must include:

8 (1) policies relating to:

9 (A) credentialing and privileges;

10 (B) quality assurance;

11 (C) utilization review;

12 (D) peer review and due process; and

13 (E) medical decision-making; and

14 (2) the implementation of a complaint mechanism to
15 process and resolve complaints regarding interference or attempted
16 interference with a physician's independent medical judgment.

17 (d) The policies adopted under this section must be approved
18 by the district medical staff. The district medical staff and the
19 board shall jointly develop and implement a conflict management
20 policy to resolve any conflict between a medical staff policy and a
21 board policy.

22 (e) For all matters relating to the practice of medicine,
23 each physician employed by the district shall ultimately report to
24 the chief medical officer of the district.

25 (f) The chief medical officer shall notify the Texas Medical
26 Board that the board is employing physicians under this section and
27 that the chief medical officer is the board's designated contact

1 with the Texas Medical Board. The chief medical officer shall
2 immediately report to the Texas Medical Board any action or event
3 that the chief medical officer reasonably and in good faith
4 believes constitutes a compromise of the independent medical
5 judgment of a physician in caring for a patient.

6 (g) The board shall give equal consideration regarding the
7 issuance of medical staff membership and privileges to physicians
8 employed by the district and physicians not employed by the
9 district.

10 (h) A physician employed by the district shall retain
11 independent medical judgment in providing care to patients and may
12 not be disciplined for reasonably advocating for patient care.

13 (i) If the district provides professional liability
14 coverage for physicians employed by the district, a physician
15 employed by the district may participate in the selection of the
16 professional liability coverage, has the right to an independent
17 defense at the physician's own cost, and retains the right to
18 consent to the settlement of any action or proceeding brought
19 against the physician.

20 (j) If a physician employed by the district enters into an
21 employment agreement that includes a covenant not to compete, the
22 agreement is subject to Section 15.50, Business & Commerce Code.

23 (k) The board may not delegate to the chief executive
24 officer of the district the authority to hire a physician.

25 (l) This section applies to medical services provided by a
26 physician at a hospital or other health care facility owned or
27 operated by the district.

1 (m) The authority granted to the board under this section to
2 employ physicians shall apply as necessary for the district to
3 fulfill the district's statutory mandate to provide medical care
4 for the indigent and needy residents of the district as provided by
5 Section 1069.101.

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

9 SECTION 4. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 1247 was passed by the House on April 25, 2013, by the following vote: Yeas 136, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1247 was passed by the Senate on May 15, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor