

AN ACT

relating to the Angleton-Danbury Hospital District of Brazoria County, Texas.

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

SECTION 1. Section 1002.051(f), Special District Local Laws Code, is amended to read as follows:

(f) Directors serve staggered four-year terms. The district shall hold an election each odd-numbered year to elect the appropriate number of directors [~~two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code. If the directors serve two-year terms, the terms of directors elected to odd-numbered positions expire in even-numbered years and the terms of directors elected to even-numbered positions expire in odd-numbered years~~].

SECTION 2. Section 1002.058, Special District Local Laws Code, is amended to read as follows:

Sec. 1002.058. [~~STAFF PHYSICIAN~~] OFFICE FACILITIES. (a) In this section, "licensed health care professional" means any individual who is licensed or certified by or registered in this state to provide health care.

(b) The board shall determine the type, number, and location of buildings necessary to establish and maintain office facilities for staff physicians, physicians employed under Section 1002.061, and other licensed health care professionals to provide adequate

1 health [medical] care services for the district within the licensed
2 health care professionals' scope of license.

3 (c) [(b)] The board may:

4 (1) acquire property and equipment and construct
5 facilities for the district for use by staff physicians, physicians
6 employed under Section 1002.061, and other licensed health care
7 professionals; and

8 (2) mortgage or pledge the property, equipment, or
9 facilities as security for the payment of the purchase price or
10 construction cost.

11 (d) [(c)] The board may lease the office facilities and
12 equipment to staff physicians, physicians employed under Section
13 1002.061, and other licensed health care professionals or may sell
14 or otherwise dispose of the property, facilities, and equipment.

15 SECTION 3. Subchapter B, Chapter 1002, Special District
16 Local Laws Code, is amended by adding Section 1002.061 to read as
17 follows:

18 Sec. 1002.061. EMPLOYMENT OF PHYSICIANS. (a) The board may
19 employ a physician and retain all or part of the professional income
20 generated by the physician for medical services provided at a
21 hospital or other health care facility owned or operated by the
22 district if the board satisfies the requirements of this section.

23 (b) The board shall:

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

26 (2) adopt, maintain, and enforce policies to ensure
27 that a physician employed by the district exercises the physician's

1 independent medical judgment in providing care to patients.

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

3 (1) policies relating to:

4 (A) credentialing and privileges;

5 (B) quality assurance;

6 (C) utilization review;

7 (D) peer review and due process; and

8 (E) medical decision-making; and

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

12 (d) The policies adopted under this section must be approved
13 by the medical staff of the hospital. In the event of a conflict
14 between a policy adopted by the board and approved by the medical
15 staff under this section and a policy of the hospital, a conflict
16 management process shall be jointly developed by the medical staff
17 of the hospital and the board and implemented to resolve that
18 conflict.

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

22 (f) The chief medical officer shall notify the Texas Medical
23 Board that the board is employing physicians under this section and
24 that the chief medical officer is the board's designated contact
25 with the Texas Medical Board. The chief medical officer shall
26 immediately report to the Texas Medical Board any action or event
27 that the chief medical officer reasonably and in good faith

1 believes constitutes a compromise of the independent medical
2 judgment of a physician in caring for a patient.

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

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

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

17 (j) If a physician employed by the district enters into an
18 employment agreement that includes a covenant not to compete, the
19 agreement is subject to Section 15.50, Business & Commerce Code,
20 and any other applicable provision.

21 (k) The board may not delegate to the chief executive
22 officer of the district the authority to hire, terminate, or make
23 any other personnel decisions relating to a physician.

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

27 (m) This section may not be construed as authorizing the

1 board to supervise or control the practice of medicine as
2 prohibited under Subtitle B, Title 3, Occupations Code.

3 SECTION 4. Section 1002.251, Special District Local Laws
4 Code, is amended to read as follows:

5 Sec. 1002.251. DEPOSITORY. The [~~As soon as practicable~~
6 ~~after the creation election results favorably to the creation of~~
7 ~~the district, the~~] board shall by resolution designate a bank
8 within the county as the district's depository, and all funds of the
9 district shall be secured in the manner provided for the security of
10 county funds. Such depository shall serve for a period of five
11 [~~two~~] years and until a successor has been selected.

12 SECTION 5. Section 1002.252(b), Special District Local Laws
13 Code, is amended to read as follows:

14 (b) To secure a loan or line of credit, the board may pledge:

15 (1) revenue of the district that is not pledged to pay
16 the district's bonded indebtedness;

17 (2) taxes to be imposed by the district in the next
18 12-month period that are not pledged to pay the principal of or
19 interest on district bonds; or

20 (3) district bonds that have been authorized but not
21 sold.

22 SECTION 6. (a) Notwithstanding Section 1002.051, Special
23 District Local Laws Code, as amended by this Act, an election of the
24 board of directors of the Angleton-Danbury Hospital District of
25 Brazoria County, Texas, shall be held in May 2014, and the directors
26 elected to places 1, 3, 5, 7, and 9 at the election shall serve
27 three-year terms.

1 (b) The election of the board of directors scheduled to be
2 held in May 2015 must be held, and the directors elected to places
3 2, 4, 6, and 8 at that election shall serve four-year terms.

4 (c) The directors elected at the elections to be held in May
5 2017 and May 2019 shall serve four-year terms.

6 SECTION 7. (a) Except as provided by Subsection (b) of this
7 section:

8 (1) this Act takes effect immediately if it receives a
9 vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution; and

11 (2) if this Act does not receive the vote necessary for
12 immediate effect, this Act takes effect September 1, 2013.

13 (b) Section 1002.051, Special District Local Laws Code, as
14 amended by this Act, takes effect January 1, 2014.

President of the Senate

Speaker of the House

I certify that H.B. No. 3905 was passed by the House on May 2, 2013, by the following vote: Yeas 146, Nays 1, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3905 was passed by the Senate on May 20, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor