

By: Nelson, et al.
(Branch, Zerwas)

S.B. No. 143

Substitute the following for S.B. No. 143:

By: Branch

C.S.S.B. No. 143

A BILL TO BE ENTITLED

AN ACT

relating to programs designed to enhance medical education in this state.

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

SECTION 1. Subtitle A, Title 3, Education Code, is amended by adding Chapter 58A to read as follows:

CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 58A.001. DEFINITION. In this chapter, "board" means the Texas Higher Education Coordinating Board.

SUBCHAPTER B. GRADUATE MEDICAL EDUCATION

RESIDENCY EXPANSION

Sec. 58A.021. ADMINISTRATION. The board shall allocate funds appropriated for purposes of this subchapter and may adopt necessary rules regarding the allocation of those funds.

Sec. 58A.022. PLANNING GRANTS. (a) The board shall award one-time planning grants to entities located in this state that:

(1) have never had a graduate medical education program; and

(2) are eligible for Medicare funding of graduate medical education.

(b) The board shall award planning grants on a competitive basis according to criteria adopted by the board. The board shall determine the number of grants awarded and the amount of each grant

1 consistent with any conditions provided by legislative
2 appropriation. A grant received under this section must be used for
3 the purpose of planning additional first-year residency positions.

4 (c) An application for a planning grant for a state fiscal
5 year must be submitted to the board not later than July 15 preceding
6 that fiscal year. Not later than August 15, the board shall make
7 decisions about grant awards for the following state fiscal year.

8 (d) An entity that is awarded a planning grant and
9 establishes new first-year residency positions after receipt of the
10 grant is eligible for additional funds for each such position
11 established, as provided by appropriation.

12 Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS. (a)
13 The board shall award grants to graduate medical education programs
14 to enable those programs to fill accredited but unfilled first-year
15 residency positions. The board shall determine the number of
16 grants awarded and the amount of each grant consistent with any
17 conditions provided by legislative appropriation.

18 (b) A grant received under this section must be expended to
19 support the direct resident costs to the program, including the
20 resident stipend and benefits.

21 (c) A grant application must include proof of the accredited
22 but unfilled positions to which the application applies. An
23 application for a grant must be submitted to the board not later
24 than October 1 preceding the period for which the grant is made.
25 The board shall make decisions about grant awards not later than
26 January 1 preceding the grant period.

27 (d) The board may distribute a grant amount for a residency

1 position only on receiving verification that the applicable
2 residency position has been filled.

3 (e) Grant amounts are awarded under this section for two
4 consecutive state fiscal years. For each first-year residency
5 position for which a program receives an initial grant amount in a
6 fiscal year, the board shall award the program an equal grant amount
7 for the following fiscal year.

8 Sec. 58A.024. GRANTS FOR PROGRAM EXPANSION OR NEW PROGRAM.

9 (a) The board shall award grants to enable existing graduate
10 medical education programs to increase the number of first-year
11 residency positions or to provide for the establishment of new
12 graduate medical education programs with first-year residency
13 positions. The board shall determine the number of grants awarded
14 and the amount of each grant consistent with any conditions
15 provided by legislative appropriation.

16 (b) A grant received under this section must be expended to
17 support the direct resident costs to the program, including the
18 resident stipend and benefits.

19 (c) A grant application must include a plan for receiving
20 accreditation for the increased number of positions or for the new
21 program, as applicable. An application for a grant must be
22 submitted to the board not later than October 1 preceding the period
23 for which the grant is made. The board shall make decisions about
24 grant awards not later than January 1 preceding the grant period.

25 (d) The board may distribute a grant amount for a residency
26 position only on receiving verification that the applicable
27 residency position has been filled.

1 (e) Grant amounts are awarded under this section for three
2 consecutive state fiscal years. For each first-year residency
3 position for which a program receives an initial grant amount in a
4 fiscal year, the board shall award the program an equal grant amount
5 for the following two fiscal years.

6 Sec. 58A.025. PRIORITY GRANTS; ADJUSTMENT OF AMOUNTS. (a)
7 If the board determines that the number of first-year residency
8 positions proposed by eligible applicants under Sections 58A.023
9 and 58A.024 exceeds the number authorized by appropriation, in
10 awarding grants the board:

11 (1) may give priority for up to 50 percent of the
12 funded first-year residency positions to be in primary care or
13 other critical shortage areas in this state; and

14 (2) may not reduce grant amounts awarded per resident
15 position, but may proportionately reduce the number of positions
16 funded for each program.

17 (b) If the board determines that, based on applications
18 received, the entire appropriation will not be awarded for that
19 year for graduate medical education residency expansion under
20 Sections 58A.023 and 58A.024, the board may transfer and use the
21 funds for the purposes of Section 58A.022 and may adjust the number
22 of grants awarded under that section accordingly.

23 Sec. 58A.026. GRANTS FOR ADDITIONAL YEARS OF RESIDENCY.

24 (a) If the board determines that funds appropriated for purposes of
25 this subchapter are available after all eligible grant applications
26 under Sections 58A.022, 58A.023, and 58A.024 have been funded, the
27 board shall award grants from excess funds to support residents:

1 (1) who have completed at least three years of
2 residency; and

3 (2) whose residency program is in a field in which this
4 state has less than 80 percent of the national average of physicians
5 per 100,000 population, as determined by the board.

6 (b) Grants shall be awarded under this section in amounts,
7 in the number, and in the residency fields determined by the board,
8 subject to any conditions provided by legislative appropriation. A
9 grant received under this section must be expended to support the
10 direct resident costs to the program, including the resident
11 stipend and benefits.

12 (c) The board may distribute grant amounts only on receiving
13 verification that the applicable residency position has been
14 filled.

15 (d) The board may award grants under this section only from
16 funds appropriated for the state fiscal year beginning September 1,
17 2016, or for a subsequent state fiscal year.

18 SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

19 Sec. 58A.051. PRIMARY CARE INNOVATION PROGRAM. Subject to
20 available funds, the board shall establish a grant program under
21 which the board awards incentive payments to medical schools that
22 administer innovative programs designed to increase the number of
23 primary care physicians in this state.

24 Sec. 58A.052. GIFTS, GRANTS, AND DONATIONS. In addition to
25 other money appropriated by the legislature, the board may solicit,
26 accept, and spend gifts, grants, and donations from any public or
27 private source for the purposes of the program established under

1 this subchapter.

2 Sec. 58A.053. RULES. In consultation with each medical
3 school in this state, the board shall adopt rules for the
4 administration of the program established under this subchapter.

5 The rules must include:

6 (1) administrative provisions relating to the
7 awarding of grants under this subchapter, such as:

8 (A) eligibility criteria for medical schools;

9 (B) grant application procedures;

10 (C) guidelines relating to grant amounts;

11 (D) procedures for evaluating grant
12 applications; and

13 (E) procedures for monitoring the use of grants;

14 and

15 (2) methods for tracking the effectiveness of grants
16 that:

17 (A) using data reasonably available to the board,
18 consider relevant information regarding the career paths of medical
19 school graduates during the four-year period following their
20 graduation; and

21 (B) evaluate whether and for how long those
22 graduates work in primary care in this state.

23 Sec. 58A.054. ADMINISTRATIVE COSTS. A reasonable amount,
24 not to exceed three percent, of any money appropriated for purposes
25 of this subchapter may be used by the board to pay the costs of
26 administering this subchapter.

27 SECTION 2. Section 61.532, Education Code, is amended to

1 read as follows:

2 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
3 repayment assistance, a physician must:

4 (1) apply to the coordinating board;

5 (2) at the time of application, be licensed to
6 practice medicine under Subtitle B, Title 3, Occupations Code;

7 (3) have completed one, two, three, or four
8 consecutive years of practice:

9 (A) in a health professional shortage area
10 designated by the Department of State Health Services; or

11 (B) in accordance with Subsection (b), after
12 funds have been fully allocated for the program year to physicians
13 qualifying under Paragraph (A); and

14 (4) provide health care services to:

15 (A) recipients under the medical assistance
16 program authorized by Chapter 32, Human Resources Code;

17 (B) enrollees under the child health plan program
18 authorized by Chapter 62, Health and Safety Code; or

19 (C) persons committed to a secure correctional
20 facility operated by or under contract with the Texas Juvenile
21 Justice Department [~~Youth Commission~~] or persons confined in a
22 secure correctional facility operated by or under contract with any
23 division of the Texas Department of Criminal Justice.

24 (b) A physician may complete one or more years of practice
25 required by Subsection (a)(3) in a location other than a health
26 professional shortage area designated by the Department of State
27 Health Services if, during the applicable year or years, the

1 physician provides health care services to a designated number of
2 patients who are recipients under the medical assistance program
3 authorized by Chapter 32, Human Resources Code, or the Texas
4 Women's Health Program according to criteria established by the
5 board in consultation with the Health and Human Services
6 Commission. The Health and Human Services Commission shall verify
7 a physician's compliance with this subsection, and the board and
8 the commission shall enter into a memorandum of understanding for
9 that purpose.

10 (c) The board annually shall solicit and collect
11 information regarding the specific number of patients described by
12 Subsection (a)(4)(A) who are treated by each physician receiving
13 loan repayment assistance under this subchapter.

14 SECTION 3. Section 61.5391, Education Code, is amended by
15 amending Subsection (a) and adding Subsection (c) to read as
16 follows:

17 (a) The physician education loan repayment program account
18 is an account in the general revenue fund. The account is composed
19 of:

- 20 (1) gifts and grants contributed to the account;
21 (2) earnings on the principal of the account; and
22 (3) other amounts deposited to the credit of the

23 account, including:

24 (A) money deposited under Section 61.539(b) or
25 61.5392;

26 (B) legislative appropriations; and

27 (C) money deposited under Section 155.2415, Tax

1 Code.

2 (c) Money deposited to the credit of the account under
3 Section 61.5392 may be used only to provide loan repayment
4 assistance to physicians who establish eligibility for the
5 assistance under Section 61.532(a)(4)(A) or (b).

6 SECTION 4. Subchapter J, Chapter 61, Education Code, is
7 amended by adding Section 61.5392 to read as follows:

8 Sec. 61.5392. FEDERAL MATCHING FUNDS. (a) For the
9 purposes of this subchapter, the Health and Human Services
10 Commission shall seek any federal matching funds that are available
11 for the purposes of this section.

12 (b) Any amount received under Subsection (a) shall be
13 transferred to the comptroller to be deposited in the physician
14 education loan repayment program account established under Section
15 61.5391. Section 403.095, Government Code, does not apply to any
16 amount deposited under this section.

17 SECTION 5. (a) As soon as practicable after the effective
18 date of this Act, the Texas Higher Education Coordinating Board
19 shall adopt rules for the implementation and administration of the
20 programs established under Chapter 58A, Education Code, as added by
21 this Act. The coordinating board may adopt the initial rules in the
22 manner provided by law for emergency rules.

23 (b) Not later than October 1, 2013, the Texas Higher
24 Education Coordinating Board and the Health and Human Services
25 Commission shall enter into the memorandum of understanding
26 required by Subsection (b), Section 61.532, Education Code, as
27 added by this Act. As soon as practicable after the date of the

1 memorandum, the coordinating board shall begin awarding loan
2 repayment assistance to physicians who establish eligibility under
3 that subsection.

4 SECTION 6. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2013.