

1-1 By: Nelson, Huffman, Schwertner S.B. No. 143  
 1-2 (In the Senate - Filed December 11, 2012; January 29, 2013,  
 1-3 read first time and referred to Committee on Higher Education;  
 1-4 April 9, 2013, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 7, Nays 0; April 9, 2013,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 143 By: West

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to programs designed to enhance medical education in this  
 1-20 state.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 61, Education Code, is amended by adding  
 1-23 Subchapters I-1 and II to read as follows:

1-24 SUBCHAPTER I-1. PHYSICIAN RESIDENCY GRANTS

1-25 Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

1-26 (a) The board shall administer the Resident Physician Expansion  
 1-27 Grant Program as a competitive grant program to encourage the  
 1-28 creation of new graduate medical education positions through  
 1-29 community collaboration and innovative funding. The board shall  
 1-30 award grants to physician residency programs at teaching hospitals  
 1-31 and other appropriate health care entities according to the program  
 1-32 criteria established under Subsections (b) and (i).

1-33 (b) The board shall establish criteria for the grant program  
 1-34 in consultation with the executive commissioner of the Health and  
 1-35 Human Services Commission, with one or more physicians, teaching  
 1-36 hospitals, medical schools, independent physician residency  
 1-37 programs, and with other persons considered appropriate by the  
 1-38 board. The program criteria must:

1-39 (1) take into account the following factors:

1-40 (A) the characteristics of existing residency  
 1-41 positions that receive state funding;

1-42 (B) current and projected physician workforce  
 1-43 demographics; and

1-44 (C) state population trends and projections; and

1-45 (2) support the following goals:

1-46 (A) creating new residency positions, with an  
 1-47 emphasis on creating new first-year residency positions, without  
 1-48 adversely affecting existing residency positions;

1-49 (B) maximizing local or federal matching funds;

1-50 (C) developing accredited physician residency  
 1-51 programs at hospitals that have not previously offered residency  
 1-52 programs; and

1-53 (D) increasing residency positions with respect  
 1-54 to:

1-55 (i) medical specialties having shortages in  
 1-56 this state; and

1-57 (ii) medically underserved areas in this  
 1-58 state.

1-59 (c) The board may provide grants only to support a residency  
 1-60 position that:

2-1                   (1) is created and accredited on or after January 1,  
2-2 2014; or  
2-3                   (2) was created and accredited before January 1, 2013,  
2-4 but as of that date had not yet been filled.  
2-5                   (d) A grant award may be used only to pay direct costs  
2-6 associated with the position, including the salary of the resident  
2-7 physician.  
2-8                   (e) Each grant application must specify:  
2-9                   (1) the number of residency positions expected to be  
2-10 created with the grant money; and  
2-11                   (2) the grant amount requested for each year.  
2-12                   (f) The board shall award grants for all residency positions  
2-13 awarded a grant under this section in the preceding year before  
2-14 awarding a grant for a residency position that did not receive a  
2-15 grant in the preceding year, provided that the applicable grant  
2-16 recipient from the preceding year complies with all conditions of  
2-17 the grant as described by Subsection (g).  
2-18                   (g) The board shall monitor physician residency programs  
2-19 receiving grants as necessary to ensure compliance with the grant  
2-20 program and shall require the return of any unused grant money by,  
2-21 or shall decline to award additional grants to, a residency program  
2-22 that receives a grant but fails to:  
2-23                   (1) create and fill, within a reasonable period, the  
2-24 number of residency positions proposed in the program's grant  
2-25 application; or  
2-26                   (2) satisfy any other conditions of the grant imposed  
2-27 by the board.  
2-28                   (h) The board shall use money forfeited under Subsection (g)  
2-29 to award grants to other eligible applicants. With respect to the  
2-30 physician residency program forfeiting the grant, the board may  
2-31 restore grant money or award additional grants, as applicable, to  
2-32 the program as soon as practicable after the program satisfies all  
2-33 conditions of the grant.  
2-34                   (i) The board shall adopt rules for the administration of  
2-35 the grant program. The rules must include:  
2-36                   (1) administrative provisions governing:  
2-37                   (A) eligibility criteria for grant applicants;  
2-38                   (B) grant application procedures;  
2-39                   (C) guidelines relating to grant amounts;  
2-40                   (D) guidelines relating to the number of grants  
2-41 to be awarded each year, subject to available funds;  
2-42                   (E) procedures for evaluating grant  
2-43 applications; and  
2-44                   (F) procedures for monitoring the use of grants;  
2-45                   (2) methods for tracking the effectiveness of grants;  
2-46 and  
2-47                   (3) any conditions relating to the receipt and use of a  
2-48 grant as considered appropriate by the board.  
2-49                   (j) Not later than January 1 of each year, the board shall  
2-50 prepare and submit to the governor, the lieutenant governor, the  
2-51 speaker of the house of representatives, the standing committees of  
2-52 the senate and house of representatives with responsibility for  
2-53 oversight of health and human services issues, and the Legislative  
2-54 Budget Board a report that:  
2-55                   (1) specifies each of the following with respect to  
2-56 the preceding program year:  
2-57                   (A) the number of grants awarded under the  
2-58 program;  
2-59                   (B) the amount of each grant awarded under the  
2-60 program;  
2-61                   (C) the number of residency positions created  
2-62 with the support of grant money;  
2-63                   (D) the medical specialty of the residency  
2-64 positions created; and  
2-65                   (E) whether physicians who complete their  
2-66 training through residency positions created under the program  
2-67 choose to practice in this state and which medical specialties they  
2-68 choose for their practices; and  
2-69                   (2) makes appropriate recommendations for legislative

3-1 changes as necessary.

3-2 Sec. 61.512. GRADUATE MEDICAL EDUCATION PLANNING GRANT  
 3-3 PROGRAM. (a) Subject to available funds, the board shall  
 3-4 administer a grant program under which the board awards incentive  
 3-5 payments to encourage medical schools, teaching hospitals, and  
 3-6 other appropriate health care entities to investigate the cost and  
 3-7 feasibility of developing accredited physician residency programs  
 3-8 at hospitals that have not previously offered residency programs.

3-9 (b) The board shall adopt rules for the administration of  
 3-10 the grant program. The rules must include:

3-11 (1) administrative provisions governing:

3-12 (A) eligibility criteria for medical schools,  
 3-13 teaching hospitals, and health care entities;

3-14 (B) grant application procedures;

3-15 (C) guidelines relating to grant amounts;

3-16 (D) procedures for evaluating grant  
 3-17 applications; and

3-18 (E) procedures for monitoring the use of grants;  
 3-19 and

3-20 (2) methods for tracking the effectiveness of grants.

3-21 Sec. 61.513. GIFTS, GRANTS, AND DONATIONS. In addition to  
 3-22 other money appropriated by the legislature, the board may solicit,  
 3-23 accept, and spend gifts, grants, and donations from any public or  
 3-24 private source for the purposes of the programs established under  
 3-25 this subchapter.

3-26 Sec. 61.514. ADMINISTRATIVE COSTS. A reasonable amount,  
 3-27 not to exceed three percent, of any money appropriated for purposes  
 3-28 of this subchapter may be used by the board to pay the costs of  
 3-29 administering this subchapter.

3-30 SUBCHAPTER II. GRANT PROGRAMS TO SUPPORT

3-31 PRIMARY CARE IN THIS STATE

3-32 Sec. 61.9821. PRIMARY CARE PHYSICIAN INCENTIVE PROGRAM.  
 3-33 Subject to available funds, the board shall establish a grant  
 3-34 program under which the board awards incentive payments to medical  
 3-35 schools that demonstrate improvement in the number of physicians  
 3-36 who practice in primary care in this state following completion of  
 3-37 their residency training.

3-38 Sec. 61.9822. PRIMARY CARE INNOVATION PROGRAM. Subject to  
 3-39 available funds, the board shall establish a grant program under  
 3-40 which the board awards incentive payments to medical schools that  
 3-41 develop innovative programs designed to increase the number of  
 3-42 primary care physicians in this state.

3-43 Sec. 61.9823. GIFTS, GRANTS, AND DONATIONS. In addition to  
 3-44 other money appropriated by the legislature, the board may solicit,  
 3-45 accept, and spend gifts, grants, and donations from any public or  
 3-46 private source for the purposes of the programs established under  
 3-47 this subchapter.

3-48 Sec. 61.9824. RULES. In consultation with each medical  
 3-49 school in this state, the board shall adopt rules for the  
 3-50 administration of the programs established under this subchapter.  
 3-51 The rules must include:

3-52 (1) administrative provisions relating to each type of  
 3-53 grant under this subchapter, such as:

3-54 (A) eligibility criteria for medical schools;

3-55 (B) grant application procedures;

3-56 (C) guidelines relating to grant amounts;

3-57 (D) procedures for evaluating grant  
 3-58 applications; and

3-59 (E) procedures for monitoring the use of grants;  
 3-60 and

3-61 (2) methods for tracking the effectiveness of grants  
 3-62 that:

3-63 (A) using data reasonably available to the board,  
 3-64 consider relevant information regarding the career paths of medical  
 3-65 school graduates during the four-year period following their  
 3-66 graduation; and

3-67 (B) evaluate whether and for how long those  
 3-68 graduates work in primary care in this state.

3-69 Sec. 61.9825. ADMINISTRATIVE COSTS. A reasonable amount,

4-1 not to exceed three percent, of any money appropriated for purposes  
4-2 of this subchapter may be used by the board to pay the costs of  
4-3 administering this subchapter.

4-4 SECTION 2. Section 61.532, Education Code, is amended to  
4-5 read as follows:

4-6 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive  
4-7 repayment assistance, a physician must:

- 4-8 (1) apply to the coordinating board;
- 4-9 (2) at the time of application, be licensed to  
4-10 practice medicine under Subtitle B, Title 3, Occupations Code;
- 4-11 (3) have completed one, two, three, or four  
4-12 consecutive years of practice;

4-13 (A) in a health professional shortage area  
4-14 designated by the Department of State Health Services; or

4-15 (B) in accordance with Subsection (b), after  
4-16 funds have been fully allocated for the program year to physicians  
4-17 qualifying under Paragraph (A); and

4-18 (4) provide health care services to:

4-19 (A) recipients under the medical assistance  
4-20 program authorized by Chapter 32, Human Resources Code;

4-21 (B) enrollees under the child health plan program  
4-22 authorized by Chapter 62, Health and Safety Code; or

4-23 (C) persons committed to a secure correctional  
4-24 facility operated by or under contract with the Texas Juvenile  
4-25 Justice Department [~~Youth Commission~~] or persons confined in a  
4-26 secure correctional facility operated by or under contract with any  
4-27 division of the Texas Department of Criminal Justice.

4-28 (b) A physician may complete one or more years of practice  
4-29 required by Subsection (a)(3) in a location other than a health  
4-30 professional shortage area designated by the Department of State  
4-31 Health Services if, during the applicable year or years, the  
4-32 physician provides health care services to a designated number of  
4-33 patients who are recipients under the medical assistance program  
4-34 authorized by Chapter 32, Human Resources Code, or the Texas  
4-35 Women's Health Program according to criteria established by the  
4-36 board in consultation with the Health and Human Services  
4-37 Commission. The Health and Human Services Commission shall verify  
4-38 a physician's compliance with this subsection, and the board and  
4-39 the commission shall enter into a memorandum of understanding for  
4-40 that purpose.

4-41 (c) The board annually shall solicit and collect  
4-42 information regarding the specific number of patients described by  
4-43 Subsection (a)(4)(A) who are treated by each physician receiving  
4-44 loan repayment assistance under this subchapter.

4-45 SECTION 3. Section 61.5391, Education Code, is amended by  
4-46 amending Subsection (a) and adding Subsection (c) to read as  
4-47 follows:

4-48 (a) The physician education loan repayment program account  
4-49 is an account in the general revenue fund. The account is composed  
4-50 of:

- 4-51 (1) gifts and grants contributed to the account;
- 4-52 (2) earnings on the principal of the account; and
- 4-53 (3) other amounts deposited to the credit of the  
4-54 account, including:

4-55 (A) money deposited under Section 61.539(b) or  
4-56 61.5392;

4-57 (B) legislative appropriations; and

4-58 (C) money deposited under Section 155.2415, Tax  
4-59 Code.

4-60 (c) Money deposited to the credit of the account under  
4-61 Section 61.5392 may be used only to provide loan repayment  
4-62 assistance to physicians who establish eligibility for the  
4-63 assistance under Section 61.532(a)(4)(A) or (b).

4-64 SECTION 4. Subchapter J, Chapter 61, Education Code, is  
4-65 amended by adding Section 61.5392 to read as follows:

4-66 Sec. 61.5392. MEDICAID MATCHING FUNDS. (a) For the  
4-67 purposes of this subchapter, the Health and Human Services  
4-68 Commission shall seek any federal matching funds that are available  
4-69 to support Medicaid services in this state.

5-1           (b) Any amount received under Subsection (a) shall be  
5-2 transferred to the comptroller to be deposited in the physician  
5-3 education loan repayment program account established under Section  
5-4 61.5391. Section 403.095, Government Code, does not apply to any  
5-5 amount deposited under this section.

5-6           SECTION 5. (a) As soon as practicable after the effective  
5-7 date of this Act, the Texas Higher Education Coordinating Board  
5-8 shall adopt rules for the implementation and administration of the  
5-9 grant programs established under Subchapters I-1 and II, Chapter  
5-10 61, Education Code, as added by this Act. The coordinating board  
5-11 may adopt the initial rules in the manner provided by law for  
5-12 emergency rules.

5-13           (b) Not later than October 1, 2013, the Texas Higher  
5-14 Education Coordinating Board shall establish the grant programs  
5-15 required by Subchapter I-1, Chapter 61, Education Code, as added by  
5-16 this Act, and shall begin to award grants under those programs not  
5-17 later than January 1, 2014.

5-18           (c) Not later than January 1, 2014, the Texas Higher  
5-19 Education Coordinating Board shall establish the grant programs  
5-20 required by Subchapter II, Chapter 61, Education Code, as added by  
5-21 this Act, and shall begin to award grants under those programs not  
5-22 later than September 1, 2014.

5-23           (d) Not later than October 1, 2013, the Texas Higher  
5-24 Education Coordinating Board and the Health and Human Services  
5-25 Commission shall enter into the memorandum of understanding  
5-26 required by Subsection (b), Section 61.532, Education Code, as  
5-27 added by this Act. As soon as practicable after the date of the  
5-28 memorandum, the coordinating board shall begin awarding loan  
5-29 repayment assistance to physicians who establish eligibility under  
5-30 that subsection.

5-31           SECTION 6. This Act takes effect immediately if it receives  
5-32 a vote of two-thirds of all the members elected to each house, as  
5-33 provided by Section 39, Article III, Texas Constitution. If this  
5-34 Act does not receive the vote necessary for immediate effect, this  
5-35 Act takes effect September 1, 2013.

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