

By: Taylor  
(Bonnen of Brazoria)

S.B. No. 1861

A BILL TO BE ENTITLED

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. Subsection (f), Section 1002.051, 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  
19 may employ a physician and retain all or part of the professional  
20 income generated by the physician for medical services provided at  
21 a 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. Subsection (b), Section 1002.252, Special  
13 District Local Laws 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  
7 this 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.