

By: Campbell

S.B. No. 1397

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a rural resident physician grant program.

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

SECTION 1. Chapter 61, Education Code, is amended by designating Section 61.511 as Subchapter I-1 and adding a heading to that subchapter to read as follows:

SUBCHAPTER I-1. PHYSICIAN RESIDENCY GRANTS

Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

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

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

(1) take into account the following factors:

(A) the characteristics of existing residency

1 positions that receive state funding;

2 (B) current and projected physician workforce
3 demographics; and

4 (C) state population trends and projections; and

5 (2) support the following goals:

6 (A) creating new residency positions, with an
7 emphasis on creating new first-year residency positions, without
8 adversely affecting existing residency positions;

9 (B) maximizing local or federal matching funds;

10 (C) developing accredited physician residency
11 programs at hospitals that have not previously offered residency
12 programs; and

13 (D) increasing residency positions with respect
14 to:

15 (i) medical specialties having shortages in
16 this state; and

17 (ii) medically underserved areas in this
18 state.

19 (c) The board may provide grants only to support a residency
20 position that:

21 (1) is created and accredited on or after January 1,
22 2014; or

23 (2) was created and accredited before January 1, 2013,
24 but as of that date had not yet been filled.

25 (d) A grant award may be used only to pay direct costs
26 associated with the position, including the salary of the resident
27 physician.

1 (e) Each grant application must specify:

2 (1) the number of residency positions expected to be
3 created with the grant money; and

4 (2) the grant amount requested for each year.

5 (f) The board shall award grants for all residency positions
6 awarded a grant under this section in the preceding year before
7 awarding a grant for a residency position that did not receive a
8 grant in the preceding year, provided that the applicable grant
9 recipient from the preceding year complies with all conditions of
10 the grant as described by Subsection (g).

11 (g) The board shall monitor physician residency programs
12 receiving grants as necessary to ensure compliance with the grant
13 program and shall require the return of any unused grant money by,
14 or shall decline to award additional grants to, a residency program
15 that receives a grant but fails to:

16 (1) create and fill, within a reasonable period, the
17 number of residency positions proposed in the program's grant
18 application; or

19 (2) satisfy any other conditions of the grant imposed
20 by the board.

21 (h) The board shall use money forfeited under Subsection (g)
22 to award grants to other eligible applicants. With respect to the
23 physician residency program forfeiting the grant, the board may
24 restore grant money or award additional grants, as applicable, to
25 the program as soon as practicable after the program satisfies all
26 conditions of the grant.

27 (i) The board shall adopt rules for the administration of

1 the grant program. The rules must include:

2 (1) administrative provisions governing:

3 (A) eligibility criteria for grant applicants;

4 (B) grant application procedures;

5 (C) guidelines relating to grant amounts;

6 (D) guidelines relating to the number of grants
7 to be awarded each year, subject to available funds;

8 (E) procedures for evaluating grant
9 applications; and

10 (F) procedures for monitoring the use of grants;

11 (2) methods for tracking the effectiveness of grants;

12 and

13 (3) any conditions relating to the receipt and use of a
14 grant as considered appropriate by the board.

15 (j) Not later than January 1 of each year, the board shall
16 prepare and submit to the governor, the lieutenant governor, the
17 speaker of the house of representatives, the standing committees of
18 the senate and house of representatives with responsibility for
19 oversight of health and human services issues, and the Legislative
20 Budget Board a report that:

21 (1) specifies each of the following with respect to
22 the preceding program year:

23 (A) the number of grants awarded under the
24 program;

25 (B) the amount of each grant awarded under the
26 program;

27 (C) the number of residency positions created

1 with the support of grant money;

2 (D) the medical specialty of the residency
3 positions created; and

4 (E) whether physicians who complete their
5 training through residency positions created under the program
6 choose to practice in this state and which medical specialties they
7 choose for their practices; and

8 (2) makes appropriate recommendations for legislative
9 changes as necessary.

10 SECTION 2. Subchapter I-1, Chapter 61, Education Code, as
11 added by this Act, is amended by adding Section 61.512 to read as
12 follows:

13 Sec. 61.512. RURAL RESIDENT PHYSICIAN GRANT PROGRAM. (a)
14 The board shall administer the Rural Resident Physician Grant
15 Program as a competitive grant program to encourage the creation of
16 new graduate medical education positions in rural and
17 nonmetropolitan areas. The board shall award grants to new or
18 expanded physician residency programs at teaching hospitals and
19 other appropriate health care entities according to the program
20 criteria established under Subsections (b) and (i).

21 (b) The board shall establish criteria for the grant program
22 in consultation with the executive commissioner of the Health and
23 Human Services Commission, with one or more physicians, teaching
24 hospitals, medical schools, and independent physician residency
25 programs, and with other persons considered appropriate by the
26 board. The program criteria must take into account whether a rural
27 or nonmetropolitan area has the resources sufficient to support a

1 physician residency program in a manner that would satisfy
2 applicable residency accreditation requirements.

3 (c) The board may provide grants only to support a physician
4 residency program that provides the level of medical care that is
5 most needed in a rural or nonmetropolitan area.

6 (d) Grant funds awarded under this section may be used only
7 to pay direct costs associated with creating or maintaining a
8 residency position, including the salary of the resident physician.

9 (e) Each grant application must specify:

10 (1) the number of residency positions expected to be
11 created or maintained with the grant money; and

12 (2) the grant amount requested for each year.

13 (f) The board shall award grants for all residency positions
14 awarded a grant under this section in the preceding year before
15 awarding a grant for a residency position that did not receive a
16 grant in the preceding year, provided that the applicable grant
17 recipient from the preceding year complies with all conditions of
18 the grant as described by Subsection (g).

19 (g) The board shall monitor physician residency programs
20 receiving grants as necessary to ensure compliance with the grant
21 program and shall require the return of any unused grant money by,
22 or shall decline to award additional grants to, a residency program
23 that receives a grant but fails to:

24 (1) create and fill, within a reasonable period, the
25 number of residency positions proposed in the program's grant
26 application; or

27 (2) satisfy any other conditions of the grant imposed

1 by the board.

2 (h) The board shall use money forfeited under Subsection (g)
3 to award grants to other eligible applicants. With respect to the
4 physician residency program forfeiting the grant, the board may
5 restore grant money or award additional grants, as applicable, to
6 the program as soon as practicable after the program satisfies all
7 conditions of the grant.

8 (i) The board shall adopt rules for the administration of
9 the grant program. The rules must include:

10 (1) administrative provisions governing:

11 (A) eligibility criteria for grant applicants;

12 (B) grant application procedures;

13 (C) guidelines relating to grant amounts;

14 (D) guidelines relating to the number of grants
15 to be awarded each year, subject to available funds;

16 (E) procedures for evaluating grant
17 applications;

18 (F) procedures for monitoring the use of grants;

19 and

20 (G) reporting requirements for grant recipients;

21 (2) methods for tracking the effectiveness of grants;

22 and

23 (3) any conditions relating to the receipt and use of a
24 grant as considered appropriate by the board.

25 SECTION 3. (a) As soon as practicable after the effective
26 date of this Act, the Texas Higher Education Coordinating Board
27 shall adopt rules for the implementation and administration of the

1 grant program established under Section 61.512, Education Code, as
2 added by this Act. The board may adopt the initial rules in the
3 manner provided by law for emergency rules.

4 (b) Not later than October 1, 2015, the Texas Higher
5 Education Coordinating Board shall establish the grant program
6 required by Section 61.512, Education Code, as added by this Act,
7 and shall begin to award grants under that program not later than
8 January 1, 2016.

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, 2015.