

BILL ANALYSIS

Senate Research Center

S.B. 679
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Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this bill is to allow licensed chiropractors the opportunity to jointly own and operate professional healthcare entities with certain licensed healthcare practitioners (Doctors of Medicine — MD, Doctors of Osteopathy — DO, and Doctors of Podiatric Medicine — DPM).

Currently in Texas, certain licensed healthcare practitioners (MDs, DOs, and DPMs) may jointly own and operate a healthcare entity (in the form of non-profit corporations, partnerships, professional limited liability companies and professional associations). Other providers of healthcare services, particularly Doctors of Chiropractic, are prohibited from entering into similar ownership and operating agreements. Further, Doctors of Chiropractic often encounter legal and administrative barriers when attempting to work with other healthcare professionals.

This bill accomplishes the following:

- Adds Doctors of Chiropractic to the existing list of healthcare practitioners (MDs, DOs, and DPMs) allowed to jointly own and operate a healthcare entity.
- Enables joint ownership and operation through several legal entity structures, including non-profit corporations, partnerships, professional limited liability companies, and professional associations.
- Limits the scope of each healthcare practitioner's authority by expressly stating a practitioner cannot exercise control over another practitioner's clinical authority.

S.B. 679 amends current law relating to the authority of chiropractors to form certain business entities with certain other professions.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 22.056, Business Organization Code, as follows:

Sec. 22.056. HEALTH ORGANIZATION CORPORATION. Authorizes doctors of medicine (MDs) and osteopathy (DOs) licensed by the Texas Medical Board (TMB), rather than the Texas State Board of Medical Examiners (TSBME), podiatrists licensed by the Texas State Board of Podiatric Medical Examiners (TSBPME), and chiropractors licensed by the Texas Board of Chiropractic Examiners (TBCE) to form a corporation that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) and (2) makes no changes to these subdivisions;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine, or chiropractic;

(4) and (5) makes no changes to these subdivisions.

(b) Provides that when doctors of medicine, osteopathy, podiatry, and chiropractic form a corporation that is jointly owned by those practitioners, the authority of each of the practitioners has certain limitations. Provides that TMB, TSPME, and TBCE, rather than TSBME and TSBPME, continue to exercise regulatory authority over their respective licenses.

SECTION 2. Amends Section 152.055, Business Organizations Code, as follows:

Sec. 152.055. AUTHORITY OF CERTAIN PROFESSIONALS TO CREATE PARTNERSHIP. (a) Authorizes MDs and DOs licensed by TMB, rather than TSBME, DPMs licensed by TSBPME, and persons licensed as chiropractors by TBCE to create a partnership that is jointly owned by those practitioners to perform a professional service that falls within the scope of practice of those practitioners.

(b) Includes doctors of chiropractic among certain doctors whose authority, when they create a jointly owned partnership, is subject to certain limitations.

(c) Makes conforming changes.

SECTION 3. Amends Sections 301.012(a) and (f), Business Organizations Code, as follows:

(a) Authorizes MDs and DOs licensed by TMB, DPMs licensed by TSBPME, and persons licensed as chiropractors by TBCE to jointly form and own a professional association or a professional limited liability company to perform professional services that fall within the scope of practice of those practitioners. Makes conforming changes.

(f) Includes doctors of chiropractic among certain doctors whose authority, when they form a certain professional entity, is subject to certain limitations.

SECTION 4. Effective date: upon passage or September 1, 2017.