

By: Hughes
(Meyer, Bonnen of Galveston, Oliverson, et al.)

S.B. No. 833

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain health organizations
certified by the Texas Medical Board; providing an administrative
penalty.

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

SECTION 1. Section 162.003, Occupations Code, is amended to
read as follows:

Sec. 162.003. REFUSAL TO CERTIFY; REVOCATION; PENALTY. On
a determination that a health organization commits a violation of
this subtitle or is established, organized, or operated in
violation of or with the intent to violate this subtitle, the board
may:

(1) refuse to certify the health organization on
application for certification by the organization under Section
162.001;

(2) revoke a certification made under Section 162.001
to that organization; or

(3) impose an administrative penalty against the
health organization under Subchapter A, Chapter 165.

SECTION 2. Subchapter A, Chapter 162, Occupations Code, is
amended by adding Sections 162.004 and 162.005 to read as follows:

Sec. 162.004. PROCEDURES FOR AND DISPOSITION OF COMPLAINTS
AGAINST NONPROFIT HEALTH CORPORATIONS. (a) The board shall accept
and process complaints against a health organization certified

1 under Section 162.001(b) for alleged violations of this subchapter
2 or any other provision of this subtitle applicable to a health
3 organization in the same manner as provided under Subchapter B,
4 Chapter 154, and the rules adopted under that subchapter, including
5 the requirements to:

6 (1) maintain a system to promptly and efficiently act
7 on complaints filed with the board;

8 (2) ensure that a complaint is not dismissed without
9 appropriate consideration; and

10 (3) establish methods by which physicians employed by
11 a health organization are notified of the name, mailing address,
12 and telephone number of the board for the purpose of directing
13 complaints under this section to the board.

14 (b) Each complaint, adverse report, investigation file,
15 other investigation report, and other investigative information in
16 the possession of or received or gathered by the board or the
17 board's employees or agents relating to a health organization
18 certified under Section 162.001(b) is privileged and confidential
19 and is not subject to discovery, subpoena, or other means of legal
20 compulsion for release to anyone other than the board or the board's
21 employees or agents involved in the investigation or discipline of
22 a health organization certified under Section 162.001(b).

23 (c) The board may dispose of a complaint or resolve the
24 investigation of a complaint under this section in a manner
25 provided under Subchapter A, Chapter 164, to the extent the board
26 determines the provisions of that subchapter can be made applicable
27 to a health organization certified under Section 162.001.

1 (d) The board may adopt rules as necessary to implement this
2 section.

3 Sec. 162.005. RETALIATION PROHIBITED. (a) In this
4 section, "nonprofit health corporation" means a health
5 organization certified under Section 162.001(b).

6 (b) A nonprofit health corporation may not, as applicable,
7 terminate, demote, retaliate against, discipline, discriminate
8 against, or otherwise penalize a person, a person's family member,
9 or a person's partner because the person:

10 (1) files a complaint under Section 162.004;

11 (2) reports in good faith an act or omission that the
12 person reasonably believes is a violation or attempted violation of
13 applicable state or federal law, including rules adopted under
14 state or federal law, to, as appropriate:

15 (A) the nonprofit health corporation;

16 (B) a regulatory agency; or

17 (C) a law enforcement authority;

18 (3) initiates or cooperates in an investigation or
19 proceeding of a regulatory agency or law enforcement authority
20 relating to care or services provided by, or policies of, the
21 nonprofit health corporation; or

22 (4) communicates to a patient information regarding
23 medically appropriate health care.

24 (c) A nonprofit health corporation may not prohibit,
25 restrict, or discourage a person from taking any action described
26 by Subsection (b).

27 (d) A person who makes a report under Subsection (b)(2) is

1 immune from civil liability for a report made in good faith.

2 (e) An employment contract between a nonprofit health
3 corporation and a physician must contain a provision requiring the
4 nonprofit health corporation to comply with the requirements of
5 this section.

6 SECTION 3. Section 162.003, Occupations Code, as amended by
7 this Act, and Section 162.004, Occupations Code, as added by this
8 Act, apply only to a violation by a health organization that occurs
9 on or after the effective date of this Act. A violation that occurs
10 before the effective date of this Act is governed by the law in
11 effect on the date the violation occurred, and the former law is
12 continued in effect for that purpose.

13 SECTION 4. Section 162.005, Occupations Code, as added by
14 this Act, applies only to an adverse action that is taken by a
15 nonprofit health corporation on or after the effective date of this
16 Act. An adverse action taken before the effective date of this Act
17 is governed by the law in effect on the date the adverse action was
18 taken, and the former law is continued in effect for that purpose.

19 SECTION 5. Section 162.005(e), Occupations Code, as added
20 by this Act, applies only to a contract entered into on or after the
21 effective date of this Act.

22 SECTION 6. This Act takes effect September 1, 2017.