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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: \_\_\_\_\_

1 Amend C.S.H.B. No. 1504 (house committee printing) as  
2 follows:

3 (1) Add the following appropriately numbered SECTIONS and  
4 renumber subsequent SECTIONS of the bill accordingly:

5 SECTION \_\_\_\_\_. Section 162.003, Occupations Code, is amended  
6 to read as follows:

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

12 (1) refuse to certify the health organization on  
13 application for certification by the organization under Section  
14 162.001;

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

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

19 SECTION \_\_\_\_\_. Subchapter A, Chapter 162, Occupations Code,  
20 is amended by adding Sections 162.004, 162.005, and 162.006 to read  
21 as follows:

22 Sec. 162.004. PROCEDURES FOR AND DISPOSITION OF COMPLAINTS  
23 AGAINST CERTAIN HEALTH ORGANIZATIONS. (a) The board shall accept  
24 and process complaints against a health organization certified  
25 under Section 162.001(b) for alleged violations of this subchapter  
26 or any other provision of this subtitle applicable to a health  
27 organization in the same manner as provided under Subchapter B,  
28 Chapter 154, and the rules adopted under that subchapter, including  
29 the requirements to:

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

3           (2) with respect to a health organization that is the  
4 subject of a complaint, notify the health organization that a  
5 complaint has been filed, disclose the nature of the complaint, and  
6 provide the health organization with an opportunity to respond to  
7 the complaint;

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

10           (4) 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.

28           (d) This section does not require an individual to file or  
29 prohibit an individual from filing a complaint against a health  
30 organization certified under Section 162.001(b) directly with the  
31 health organization, alone or in connection with a complaint filed

1 with the board under this section, relating to:

2 (1) the care or services provided by, or the policies  
3 of, the health organization; or

4 (2) an alleged violation by the health organization of  
5 this subchapter or any other provision of this subtitle applicable  
6 to the health organization.

7 Sec. 162.005. ANTI-RETALIATION POLICY. (a) A health  
8 organization certified under Section 162.001(b) shall develop,  
9 implement, and comply with an anti-retaliation policy for  
10 physicians under which the health organization may not terminate,  
11 demote, retaliate against, discipline, discriminate against, or  
12 otherwise penalize a physician for:

13 (1) filing in good faith a complaint under Section  
14 162.004;

15 (2) cooperating in good faith with an investigation or  
16 proceeding of the board relating to a complaint filed under Section  
17 162.004; or

18 (3) communicating to a patient in good faith what the  
19 physician reasonably believes to be the physician's best,  
20 independent medical judgment.

21 (b) On a determination that a health organization certified  
22 under Section 162.001(b) has failed to develop, implement, or  
23 comply with a policy described by Subsection (a), the board may take  
24 any action allowed under this subtitle or board rule applicable to a  
25 health organization.

26 Sec. 162.006. BIENNIAL REPORT REQUIRED FOR CERTAIN HEALTH  
27 ORGANIZATIONS. (a) Each health organization certified under  
28 Section 162.001(b) shall file with the board a biennial report in  
29 September of each odd-numbered year if the organization was  
30 certified in an odd-numbered year or in September of each  
31 even-numbered year if the organization was certified in an

1 even-numbered year. The biennial report must include:

2 (1) a statement signed and verified by the president  
3 or chief executive officer of the health organization that:

4 (A) provides the name and mailing address of:

5 (i) the health organization;

6 (ii) each member of the health  
7 organization, except that if the health organization has no  
8 members, a statement indicating that fact;

9 (iii) each member of the board of directors  
10 of the health organization; and

11 (iv) each officer of the health  
12 organization; and

13 (B) discloses any change in the composition of  
14 the board of directors since the date of the most recent biennial  
15 report;

16 (2) a statement signed and verified by the president  
17 or chief executive officer of the health organization that:

18 (A) indicates whether the health organization's  
19 certificate of formation or bylaws were amended since the date of  
20 the most recent biennial report;

21 (B) if applicable, provides a concise  
22 explanation of the amendments and states whether the amendments  
23 were recommended or approved by the board of directors; and

24 (C) has attached to the statement a copy of the  
25 organization's current certificate of formation and bylaws if a  
26 copy is not already on file with the board;

27 (3) a statement from each current director of the  
28 health organization, signed and verified by the director:

29 (A) stating that the director is licensed by the  
30 board to practice medicine, is actively engaged in the practice of  
31 medicine, and has no restrictions on the director's license;

1                   (B) stating that the director will, as a  
2 director:

3                   (i) exercise independent judgment in all  
4 matters, specifically including matters relating to credentialing,  
5 quality assurance, utilization review, peer review, and the  
6 practice of medicine;

7                   (ii) exercise best efforts to cause the  
8 health organization to comply with all relevant provisions of this  
9 subtitle and board rules; and

10                   (iii) immediately report to the board any  
11 action or event the director reasonably and in good faith believes  
12 constitutes a violation or attempted violation of this subtitle or  
13 board rules;

14                   (C) identifying and concisely explaining the  
15 nature of each financial relationship the director has, if any,  
16 with a member, another director, or a supplier of the health  
17 organization or an affiliate of those persons; and

18                   (D) stating that the director has disclosed all  
19 financial relationships described by Paragraph (C); and

20                   (4) a statement signed and verified by the president  
21 or chief executive officer of the health organization indicating  
22 that the health organization is in compliance with the requirements  
23 for continued certification provided by this subtitle and board  
24 rules.

25                   (b) A health organization required to submit a biennial  
26 report under Subsection (a) shall submit with the report a fee in  
27 the amount prescribed by board rule.

28                   (c) Not later than January 1 of each year, the board shall  
29 publish on the board's Internet website the information provided to  
30 the board in each statement under Subsection (a)(1).

31                   (d) Information provided to the board in each statement

1 under Subsections (a)(2), (3), and (4) is public information  
2 subject to disclosure under Chapter 552, Government Code.

3 (e) The board may adopt rules necessary to implement this  
4 section.

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

12 SECTION \_\_\_\_\_. Not later than December 31, 2019, a health  
13 organization certified under Section 162.001(b), Occupations Code,  
14 shall develop the anti-retaliation policy required by Section  
15 162.005, Occupations Code, as added by this Act.

16 (2) Strike SECTION 34 of the bill (page 26, line 1) and  
17 substitute the following appropriately numbered SECTION:

18 SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of  
19 this section, this Act takes effect September 1, 2019.

20 (b) Section 162.005(b), Occupations Code, as added by this  
21 Act, takes effect January 1, 2020.