

AN ACT

relating to authority of the Hunt Memorial Hospital District to appoint, contract for, or employ physicians.

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

SECTION 1. Subchapter B, Chapter 1044, Special District Local Laws Code, is amended by adding Section 1044.0605 to read as follows:

Sec. 1044.0605. EMPLOYMENT OF PHYSICIANS. (a) The board may appoint, contract for, or employ physicians as the board considers necessary to provide medical services at a health care facility owned or operated by the district as provided by this section. The board may retain all or part of the professional income generated by a physician employed by the district for those medical services if the board satisfies the requirements of this section.

(b) This section may not be construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code.

(c) The board shall:

(1) appoint a chief medical officer for the district who has been recommended by the medical staff of the district; and

(2) adopt, maintain, and enforce policies to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients at

1 health care facilities owned or operated by the district.

2 (d) 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 (e) The policies adopted under this section must be approved  
13 by the medical staff of the district. The chief medical officer and  
14 the board shall jointly develop and implement a conflict management  
15 policy to resolve any conflict between a policy approved by the  
16 medical staff under this section and any other district policy.

17 (f) For all matters relating to the practice of medicine,  
18 each physician employed by the district shall ultimately report to  
19 the chief medical officer of the district.

20 (g) The chief medical officer shall notify the Texas Medical  
21 Board that the district is employing physicians under this section  
22 and that the chief medical officer is the district's designated  
23 contact with the Texas Medical Board. The chief medical officer  
24 shall immediately report to the Texas Medical Board any action or  
25 event that the chief medical officer reasonably and in good faith  
26 believes constitutes a compromise of the independent medical  
27 judgment of a physician in caring for a patient.

1       (h) The board shall give equal consideration regarding the  
2 issuance of medical staff membership and privileges to physicians  
3 employed by the district and physicians not employed by the  
4 district.

5       (i) A physician employed by the district shall retain  
6 independent medical judgment in providing care to patients at a  
7 health care facility owned or operated by the district and may not  
8 be disciplined for reasonably advocating for patient care.

9       (j) If the district provides professional liability  
10 coverage for physicians employed by the district, a physician  
11 employed by the district may participate in the selection of the  
12 professional liability coverage, has the right to an independent  
13 defense at the physician's own cost, and retains the right to  
14 consent to the settlement of any action or proceeding brought  
15 against the physician.

16       (k) If a physician employed by the district enters into an  
17 employment agreement that includes a covenant not to compete, the  
18 agreement is subject to Section 15.50, Business & Commerce Code,  
19 and any other applicable law.

20       SECTION 2. This Act takes effect September 1, 2019.

S.B. No. 1236

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1236 passed the Senate on May 3, 2019, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1236 passed the House on May 14, 2019, by the following vote: Yeas 140, Nays 1, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor