

BILL ANALYSIS

Senate Research Center
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This legislation seeks to reduce barriers of entry for physicians to address the physician shortage the state currently faces.

In May of 2022, the Department of State Health Services issued the Physician Supply and Demand Projections 2021–2032, detailing the current shortage of physicians in Texas and how this shortage will continue to increase through 2032. The report found that current projections for medical education will not create a supply physicians great enough to meet projected demand. Texas is expected to be short 10,330 physicians by 2032¹. Additionally, Texas is projected to be at a critical shortage of primary care physicians by 2036². Furthermore, around 29 percent of Texas' current physicians workforce is within retirement range and about 50 percent of Texas' medical school graduates left the state to finish their Graduate Medical Education elsewhere³. Texas ranks in the bottom half of states for primary care and physician availability, and 224 of Texas' 254 counties are health professional shortage areas⁴.

H.B. 2038 amends the Occupations Code and Insurance Code to address the burdensome regulations that prevent physicians from providing care in Texas. This bill requires the Texas Medical Board to create pathways for new physicians to enter the market and serve Texans through the following ways: removing redundant residency requirements for qualified practicing international physicians, utilizing trained military veteran physicians by streamlining a long-term licensure pathway, and providing access to training and primary practice for medical school graduates who do not receive a residency match.

The committee substitute removes the section of the bill relating to veteran physicians. Additionally, a new provision is added to the section related to international physicians. This provision would prohibit a provisional license from being issued to a physician that is a citizen of a country identified as a national security risk.

H.B. 2038 amends current law relating to the issuance by the Texas Medical Board of certain licenses to practice medicine and the authority of an insured to select certain license holders under the insured's health policy, requires an occupational license, and authorizes fees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Medical Board in SECTION 2.001 (Section 155.1015, Occupations Code) and SECTION 3.001 (Sections 155.202 and 155.205, Occupations Code).

SECTION BY SECTION ANALYSIS

ARTICLE 1. SHORT TITLE

SECTION 1.001. Requires that this Act be known as the Decreasing Occupational Certification Timelines, Obstacles, and Regulations (DOCTOR) Act.

ARTICLE 2. FOREIGN LICENSE HOLDERS

SECTION 2.001. Amends Subchapter C, Chapter 155, Occupations Code, by adding Section 155.1015, as follows:

Sec. 155.1015. ISSUANCE OF PROVISIONAL LICENSE TO CERTAIN FOREIGN MEDICAL LICENSE HOLDERS WITH OFFERS OF EMPLOYMENT. (a) Requires the Texas Medical Board (TMB), subject to Subsection (b), on application, to issue an initial provisional license to practice medicine to an applicant who:

(1) has been granted a degree of doctor of medicine or a substantially similar degree by a program of medical education that meets eligibility requirements for the applicant to apply for certification by the Educational Commission for Foreign Medical Graduates;

(2) has been licensed in good standing to practice medicine in another country and is not the subject of any pending disciplinary action before the licensing body;

(3) either has completed a residency or a substantially similar postgraduate medical training required by the applicant's country of licensure and has practiced medicine as a licensed physician in that country or another country in which the applicant is licensed as a physician for at least five years after the completion of the required postgraduate medical training or if the applicant's country of licensure does not require postgraduate medical training, has practiced medicine as a licensed physician in that country or another country in which the applicant is licensed as a physician for at least 10 years after completing medical school;

(4) passes the Texas medical jurisprudence examination;

(5) has proficiency in the English language;

(6) is authorized under federal law to work in the United States;

(7) has been offered employment in this state as a physician by a person who provides health care services in the normal course of business in a facility-based or group practice setting, including a health system, hospital, hospital-based facility, freestanding emergency facility, or urgent care clinic; and

(8) meets any other requirement TMB prescribes by rule.

(b) Prohibits TMB from issuing a provisional license under Subsection (a) to an applicant who is a citizen of a country meeting certain criteria.

(c) Provides that a provisional license issued under Subsection (a) expires on the second anniversary of the date the provisional license was issued.

(d) Provides that the holder of a provisional license issued under Subsection (a) is authorized to practice only in a facility-based or group practice setting with an Accreditation Council for Graduate Medical Education residency program or an American Osteopathic Association residency program, an Accreditation Council for Graduate Medical Education-affiliated setting, or an American Osteopathic Association-affiliated setting.

(e) Requires TMB, on application, to renew a provisional license to practice medicine issued under Subsection (a) if the applicant has passed the first and second steps of the examination described by Section 155.0511(7) (relating to authorizing TMB to administer or accept the United States Medical License Examination (USMLE) or its successor for licensing as determined by rule) in accordance with Section 155.056(a) (relating to requiring an applicant for a

license to pass each part of an examination within three attempts) and holds a valid certificate issued by the Educational Commission for Foreign Medical Graduates.

(f) Provides that the holder of a provisional license renewed under Subsection (e) is authorized to practice only in a rural community or medically underserved area or health professional shortage area, as designated by the United States Department of Health and Human Services, that has a current shortage of physicians and is not subject to the restrictions of Subsection (d).

(g) Requires TMB, subject to Subsection (h), on application to issue a license under Subtitle B (Physicians) to the holder of a provisional license under this section if the provisional license holder at the time the license under this subtitle will be issued, will have practiced under the provisional license for at least four of the preceding seven years and satisfies the examination requirements of Section 155.051 (Examination Required).

(h) Prohibits TMB from issuing as provided by Subsection (g) a license under this subtitle to an applicant who is subject to TMB investigation or discipline for conduct that occurred while holding the provisional license or has been convicted of, is on deferred adjudication community supervision or deferred disposition for, or is under active investigation for the commission of a felony or a misdemeanor involving moral turpitude.

(i) Requires TMB to adopt rules for the issuance of a provisional license under Subsection (a), the renewal of a provisional license under Subsection (e), and the issuance of a license under this subtitle as provided by Subsection (g), including rules establishing eligibility for and fees applicable to the licenses. Authorizes TMB to adopt rules for the reporting of board specialty certification requirement information as requested by a board specialty organization.

ARTICLE 3. PHYSICIAN GRADUATES

SECTION 3.001. Amends Chapter 155, Occupations Code, by adding Subchapter E, as follows:

SUBCHAPTER E. PHYSICIAN GRADUATES

Sec. 155.201. DEFINITIONS. Defines "physician graduate," "sponsoring physician," and "supervising practice agreement."

Sec. 155.202. RULES. Requires TMB to adopt rules in accordance with this subchapter relating to the licensing and regulation of physician graduates, including rules relating to procedures and fees for the issuance, term, and renewal of a license under this subchapter, including continuing medical education requirements for renewal of the license; practices and requirements for the supervision of physician graduates; and any other matter necessary to ensure protection of the public, including disciplinary procedures.

Sec. 155.203. LICENSE ISSUANCE. Requires TMB, on application, to issue a limited license to practice medicine under this subchapter to an applicant who:

- (1) is a resident of this state and is a United States citizen, a legal permanent resident of the United States, or otherwise authorized under federal law to work in the United States;
- (2) has proficiency in the English language;
- (3) has graduated in the two years preceding the date that the applicant initially applies for a physician graduate license, from a TMB-recognized accredited medical school or osteopathic medical school in the United States or Canada or a

medical school located outside of the United States and Canada that TMB recognizes as acceptable or if the applicant is licensed in good standing to practice medicine in another country, from a medical school located outside of the United States and Canada that TMB recognizes as acceptable;

(4) has passed the first and second components of the United States Medical Licensing Examination or equivalent components of another TMB-approved licensing examination described by Section 155.0511 (Examinations Administered or Accepted by Board);

(5) is not enrolled in a TMB-approved postgraduate residency program; and

(6) meets any other requirement prescribed by TMB rule.

Sec. 155.204. FEES. Prohibits the amount of a fee for the issuance or renewal of a license under this subchapter from exceeding the amount of a fee for the issuance or renewal of a physician assistant license under Chapter 204 (Physician Assistants).

Sec. 155.205. SPONSORING PHYSICIAN. (a) Provides that a physician is eligible to enter into a supervising practice agreement as a sponsoring physician if the physician:

(1) holds a full and unrestricted license to practice medicine issued under this subtitle;

(2) is not currently the subject of disciplinary action by TMB or the medical licensing authority of any other jurisdiction;

(3) is certified by a medical specialty member board of certain organizations; and

(4) practices medicine in the specialty for which the physician is certified under Subdivision (3).

(b) Requires a sponsoring physician who enters into a supervising practice agreement with a physician graduate to comply with all TMB rules related to the supervision of physician graduates.

(c) Requires TMB by rule to establish the maximum number of physician graduates that a sponsoring physician is authorized to supervise under supervising practice agreements.

Sec. 155.206. SUPERVISING PRACTICE AGREEMENT REQUIRED. (a) Requires a physician graduate to enter into a supervising practice agreement with a sponsoring physician.

(b) Prohibits a physician graduate who has not entered into a supervising practice agreement from practicing or attempting to practice medicine.

(c) Authorizes a physician graduate who enters into a supervising practice agreement to practice under the delegation and supervision of another physician if the sponsoring physician authorizes the practice of the physician graduate under the delegation and supervision of the other physician in a written document that identifies the other physician by name and the other physician is part of the sponsoring physician's physician group or facility and certified in the same specialty as the sponsoring physician by a medical specialty member board of certain organizations.

(d) Requires that the physician profile under Section 154.006 (Physician Profiles) of a sponsoring physician or physician graduate indicate in the manner prescribed

by TMB rule that the sponsoring physician or physician graduate has entered into a supervising practice agreement.

Sec. 155.207. LIMITED PRACTICE BY LICENSE HOLDER. (a) Provides that a physician graduate is authorized to practice only in a county with a population of less than 100,000 and provide only medical services in the specialty in which the physician graduate's sponsoring physician is certified as described by Section 155.205(a)(3) under supervision in accordance with a supervising practice agreement.

(b) Requires a license holder, before a license holder under this subchapter provides a treatment, consultation, or other medical service, to disclose to the patient that the license holder is a physician graduate and has not completed any formal specialized postgraduate or resident training.

Sec. 155.208. LIABILITY OF SPONSORING PHYSICIAN. Provides that a sponsoring physician who enters into a supervising practice agreement with a physician graduate retains legal responsibility for a physician graduate's patient care activities, including the provision of care and treatment to a patient in a health care facility.

Sec. 155.209. IDENTIFICATION REQUIREMENTS; USE OF TITLE. (a) Requires the holder of a license issued under this subchapter to at all times while practicing as a physician graduate display a personal identification document identifying the license holder as a physician graduate.

(b) Authorizes a physician graduate to use certain titles or abbreviations.

Sec. 155.210. STATUS OF PHYSICIAN GRADUATE. Provides that a physician graduate license holder is considered a general practitioner for purposes of regulations of the federal Centers for Medicare and Medicaid Services.

Sec. 155.211. LICENSE RENEWAL. Prohibits TMB from renewing a license issued under this subchapter unless TMB verifies that the license holder has practiced in accordance with this subchapter under a supervising practice agreement with a sponsoring physician in the license term preceding the application for renewal and the license holder satisfies the continuing medical education requirements established by TMB rule.

Sec. 155.212. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. Authorizes TMB to deny an application for licensure or suspend or revoke a license issued under this subchapter for any ground provided by Chapter 164 (Disciplinary Actions and Procedures) or TMB rule and in the manner provided by Chapter 164 and TMB rule.

SECTION 3.002. Amends Section 1451.001, Insurance Code, by adding Subdivision (16-a) to define "physician graduate."

SECTION 3.003. Amends Subchapter C, Chapter 1451, Insurance Code, by adding Section 1451.129, as follows:

Sec. 1451.129. SELECTION OF PHYSICIAN GRADUATE. Authorizes an insured individual to select a physician graduate to provide the services scheduled in the health insurance policy that are within the scope of the physician graduate's license under Subchapter E, Chapter 155 (License to Practice Medicine), Occupations Code.

SECTION 3.004. Makes application of Section 1451.129, Insurance Code, as added by this Act, prospective to January 1, 2026.

ARTICLE 4. RULEMAKING

SECTION 4.001. Requires TMB, not later than January 1, 2026, to adopt rules as necessary to implement the following provisions of the Occupations Code, as added by this Act: Section 155.1015, and Subchapter E, Chapter 155.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.001. Effective date: September 1, 2025.