

1-1 By: Oliverson, et al. (Senate Sponsor - Sparks) H.B. No. 2038
1-2 (In the Senate - Received from the House May 6, 2025;
1-3 May 7, 2025, read first time and referred to Committee on Health &
1-4 Human Services; May 23, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 May 23, 2025, sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Kolkhorst	X			
1-10	Perry	X			
1-11	Blanco	X			
1-12	Cook	X			
1-13	Hall	X			
1-14	Hancock	X			
1-15	Hughes			X	
1-16	Miles	X			
1-17	Sparks	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 2038 By: Perry

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the issuance by the Texas Medical Board of certain
1-22 licenses to practice medicine and the authority of an insured to
1-23 select certain license holders under the insured's health policy;
1-24 requiring an occupational license; authorizing fees.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 ARTICLE 1. SHORT TITLE

1-27 SECTION 1.001. This Act shall be known as the Decreasing
1-28 Occupational Certification Timelines, Obstacles, and Regulations
1-29 (DOCTOR) Act.

1-30 ARTICLE 2. FOREIGN LICENSE HOLDERS

1-31 SECTION 2.001. Subchapter C, Chapter 155, Occupations Code,
1-32 is amended by adding Section 155.1015 to read as follows:

1-33 Sec. 155.1015. ISSUANCE OF PROVISIONAL LICENSE TO CERTAIN
1-34 FOREIGN MEDICAL LICENSE HOLDERS WITH OFFERS OF EMPLOYMENT. (a)
1-35 Subject to Subsection (b), on application, the board shall issue an
1-36 initial provisional license to practice medicine to an applicant
1-37 who:

1-38 (1) has been granted a degree of doctor of medicine or
1-39 a substantially similar degree by a program of medical education
1-40 that meets eligibility requirements for the applicant to apply for
1-41 certification by the Educational Commission for Foreign Medical
1-42 Graduates;

1-43 (2) has been licensed in good standing to practice
1-44 medicine in another country and is not the subject of any pending
1-45 disciplinary action before the licensing body;

1-46 (3) either:

1-47 (A) has completed a residency or a substantially
1-48 similar postgraduate medical training required by the applicant's
1-49 country of licensure and has practiced medicine as a licensed
1-50 physician in that country or another country in which the applicant
1-51 is licensed as a physician for at least five years after the
1-52 completion of the required postgraduate medical training; or

1-53 (B) if the applicant's country of licensure does
1-54 not require postgraduate medical training, has practiced medicine
1-55 as a licensed physician in that country or another country in which
1-56 the applicant is licensed as a physician for at least 10 years after
1-57 completing medical school;

1-58 (4) passes the Texas medical jurisprudence
1-59 examination;

1-60 (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 the board prescribes by rule.

(b) The board may not issue a provisional license under Subsection (a) to an applicant who is a citizen of a country:

(1) identified by the United States Director of National Intelligence as a country that poses a risk to the national security of the United States in the most recent Annual Threat Assessment of the U.S. Intelligence Community issued pursuant to Section 108B, National Security Act of 1947 (50 U.S.C. Section 3043b); or

(2) identified as a country subject to prohibitions in the International Traffic in Arms Regulations (22 C.F.R. Part 126.1).

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

(d) The holder of a provisional license issued under Subsection (a) may practice only in:

(1) a facility-based or group practice setting with:
(A) an Accreditation Council for Graduate Medical Education residency program; or

(B) an American Osteopathic Association residency program;

(2) an Accreditation Council for Graduate Medical Education-affiliated setting; or

(3) an American Osteopathic Association-affiliated setting.

(e) On application, the board shall renew a provisional license to practice medicine issued under Subsection (a) if the applicant:

(1) has passed the first and second steps of the examination described by Section 155.0511(7) in accordance with Section 155.056(a); and

(2) holds a valid certificate issued by the Educational Commission for Foreign Medical Graduates.

(f) The holder of a provisional license renewed under Subsection (e):

(1) may 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

(2) is not subject to the restrictions of Subsection (d).

(g) Subject to Subsection (h), the board on application shall issue a license under this subtitle to the holder of a provisional license under this section if the provisional license holder:

(1) 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

(2) satisfies the examination requirements of Section 155.051.

(h) The board may not issue as provided by Subsection (g) a license under this subtitle to an applicant who:

(1) is subject to board investigation or discipline for conduct that occurred while holding the provisional license; or

(2) has been convicted of, is on deferred adjudication community supervision or deferred disposition for, or is under active investigation for the commission of:

(A) a felony; or

(B) a misdemeanor involving moral turpitude.

(i) The board shall 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. The board may 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. Chapter 155, Occupations Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. PHYSICIAN GRADUATES

Sec. 155.201. DEFINITIONS. In this subchapter:

(1) "Physician graduate" means an individual issued a limited license under this subchapter to practice medicine under a supervising practice agreement with a sponsoring physician.

(2) "Sponsoring physician" means a physician who enters into a supervising practice agreement with a physician graduate.

(3) "Supervising practice agreement" means an agreement between a sponsoring physician and a physician graduate regarding the sponsoring physician's supervision of the physician graduate's practice of medicine.

Sec. 155.202. RULES. The board shall adopt rules in accordance with this subchapter relating to the licensing and regulation of physician graduates, including rules relating to:

(1) 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;

(2) practices and requirements for the supervision of physician graduates; and

(3) any other matter necessary to ensure protection of the public, including disciplinary procedures.

Sec. 155.203. LICENSE ISSUANCE. On application, the board shall issue a limited license to practice medicine under this subchapter to an applicant who:

(1) is a resident of this state and is:

(A) a United States citizen;

(B) a legal permanent resident of the United States; or

(C) otherwise authorized under federal law to work in the United States;

(2) has proficiency in the English language;

(3) has graduated:

(A) in the two years preceding the date that the applicant initially applies for a physician graduate license, from:

(i) a board-recognized accredited medical school or osteopathic medical school in the United States or Canada; or

(ii) a medical school located outside of the United States and Canada that the board recognizes as acceptable; or

(B) 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 the board recognizes as acceptable;

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

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

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

Sec. 155.204. FEES. The amount of a fee for the issuance or renewal of a license under this subchapter may not exceed the amount of a fee for the issuance or renewal of a physician assistant license under Chapter 204.

Sec. 155.205. SPONSORING PHYSICIAN. (a) 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 the board or the medical licensing authority of any other jurisdiction;

(3) is certified by a medical specialty member board of:

(A) the American Board of Medical Specialties;

(B) the American Osteopathic Association Bureau of Osteopathic Specialists;

(C) the American Board of Oral and Maxillofacial Surgery; or

(D) any other medical specialty member organization the board recognizes; and

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

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

(c) The board by rule shall establish the maximum number of physician graduates that a sponsoring physician may supervise under supervising practice agreements.

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

(b) A physician graduate who has not entered into a supervising practice agreement may not practice or attempt to practice medicine.

(c) A physician graduate who enters into a supervising practice agreement may practice under the delegation and supervision of another physician if:

(1) 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

(2) the other physician is:

(A) part of the sponsoring physician's physician group or facility; and

(B) certified in the same specialty as the sponsoring physician by a medical specialty member board of:

(i) the American Board of Medical Specialties;

(ii) the American Osteopathic Association Bureau of Osteopathic Specialists;

(iii) the American Board of Oral and Maxillofacial Surgery; or

(iv) any other medical specialty member organization recognized by the board.

(d) The physician profile under Section 154.006 of a sponsoring physician or physician graduate must indicate in the manner prescribed by board rule that the sponsoring physician or physician graduate has entered into a supervising practice agreement.

Sec. 155.207. LIMITED PRACTICE BY LICENSE HOLDER. (a) A physician graduate may:

(1) practice only in a county with a population of less than 100,000; and

(2) 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) Before a license holder under this subchapter provides a treatment, consultation, or other medical service, the license holder must disclose to the patient that the license holder:

(1) is a physician graduate; and

(2) has not completed any formal specialized postgraduate or resident training.

Sec. 155.208. LIABILITY OF SPONSORING PHYSICIAN. 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) The holder of a license issued under this subchapter shall at all times while practicing as a physician graduate display a personal identification document identifying the license holder as a physician graduate.

(b) A physician graduate may use the following titles or abbreviations:

- (1) "doctor"; or
- (2) "Dr." or "doc."

Sec. 155.210. STATUS OF PHYSICIAN GRADUATE. 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. The board may not renew a license issued under this subchapter unless:

- (1) the board 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
- (2) the license holder satisfies the continuing medical education requirements established by board rule.

Sec. 155.212. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE. The board may deny an application for licensure or suspend or revoke a license issued under this subchapter:

- (1) for any ground provided by Chapter 164 or board rule; and
- (2) in the manner provided by Chapter 164 and board rule.

SECTION 3.002. Section 1451.001, Insurance Code, is amended by adding Subdivision (16-a) to read as follows:

(16-a) "Physician graduate" has the meaning assigned by Section 155.201, Occupations Code.

SECTION 3.003. Subchapter C, Chapter 1451, Insurance Code, is amended by adding Section 1451.129 to read as follows:

Sec. 1451.129. SELECTION OF PHYSICIAN GRADUATE. An insured may 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, Occupations Code.

SECTION 3.004. Section 1451.129, Insurance Code, as added by this Act, applies only to a health insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2026.

ARTICLE 4. RULEMAKING

SECTION 4.001. Not later than January 1, 2026, the Texas Medical Board shall adopt rules as necessary to implement the following provisions of the Occupations Code, as added by this Act:

- (1) Section 155.1015; and
- (2) Subchapter E, Chapter 155.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.001. This Act takes effect September 1, 2025.

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