

## **BILL ANALYSIS**

C.S.H.B. 3463  
By: Frullo  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that it would be more efficient for the Lubbock County Hospital District of Lubbock County, Texas, to be able to employ physicians directly instead of having to go through a nonprofit healthcare organization, which could result in additional expenses and administrative burdens. C.S.H.B. 3463 seeks to provide such employment authority.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3463 amends the Special District Local Laws Code to authorize the board of hospital managers of the Lubbock County Hospital District of Lubbock County, Texas, to employ physicians as the board considers necessary to provide hospital-based services at a hospital owned or operated by the district. The bill authorizes the board to retain all or part of the professional income generated by a physician employed by the district for those hospital-based services if the board satisfies the bill's requirements. The bill establishes that such employment authority applies as necessary for the district to fulfill the district's statutory mandate to provide medical and hospital care to the district's residents, including the district's needy and indigent residents. The bill prohibits the term of an employment contract entered into under the bill's provisions from exceeding five years. The bill prohibits its provisions from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by the Medical Practice Act, or to employ physicians for any purpose other than the provision of hospital-based services at a hospital owned or operated by the district.

C.S.H.B. 3463 requires the district's medical executive committee to 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. The bill sets out requirements for such policies. The bill requires the committee and the board to jointly develop and implement a conflict management process to resolve any conflict between a policy adopted by the committee under the bill's provisions and a district policy. The bill requires a committee member who is a physician to provide biennially to the committee chair a signed, verified statement regarding the member's licensure and professional conduct. The bill requires each physician employed by the district, for all matters relating to the practice of medicine, to ultimately report to the committee chair.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3463 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the services that the board may employ physicians to provide from facility-based services to hospital-based services and removes a health care facility other than a hospital as a location at which services may be provided. The substitute includes language expressly prohibiting the bill's provisions from being construed as authorizing the board to employ physicians for any purpose other than the provision of hospital-based services at a hospital owned or operated by the district. The substitute removes the requirement that the district's medical executive committee adopt, maintain, and enforce rules to ensure that a physician employed by the district exercises the physician's independent medical judgment in providing care to patients. The substitute removes the requirement that policies adopted by the committee under the bill's provisions include policies relating to covenants not to compete.