

SUBJECT: Establishing a regional academic health center in the Rio Grande Valley

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 8 ayes — Rangel, Solis, Bailey, Cuellar, Dunnam, Kamel, Rabuck, E. Reyna

0 nays

1 absent — Rodriguez

WITNESSES: For — Ofelia de los Santos; Mike R. Perez; Rosalie Weisfeldi

Against — None

On — William Cunningham, James Guckian and Charles Mullins,
University of Texas System

DIGEST: CSHB 1557 would authorize the Board of Regents of the University of Texas System to establish a regional academic health center (RACH) serving Cameron, Hidalgo, Starr, and Willacy counties as the Lower Rio Grande Valley Academic Health Center. The RACH could consist of facilities located throughout the region used to provide undergraduate clinical education, graduate education, including residency training programs, or other medical education in connection with any UT system component.

The board could execute and carry out affiliation and coordination agreements with other entities or institutions in the region. The board could delegate management of the RACH to any component institution or institutions of the University of Texas System. The RACH's operating costs would be paid from the operating funds of the component institution, which could be supplemented by funds from any other public or private entity. The board of regents could accept and disburse any gifts and grants for the use and benefit of the RACH.

A teaching hospital or any physical facilities of the RACH used in teaching and research programs, including libraries, auditoriums, research facilities,

and medical education buildings, could be provided by a public or private entity. However, a physical facility could not be constructed, maintained, or operated with state appropriations or other funds.

The RACH would be subject to the supervision and rules of the Higher Education Coordinating Board.

CSHB 1557 would take effect September 1, 1997.

**SUPPORTERS
SAY:**

CSHB 1557 would address the serious shortage of primary care physicians in South Texas. In the Lower Rio Grande Valley, the average number of doctors per 100,000 residents is less than half the statewide average. The bill would not only address this deficiency but provide needed economic development for the region, enhancing both the quality of health care and professional opportunities for residents of the Valley.

The Valley is beset by serious public health problems, lacking adequate preventative and indigent health care programs necessary to care for its growing population. The total population of Hidalgo, Cameron, Starr and Willacy counties is nearing 900,000, making the Valley the most populous area in the state without an academic medical facility. The closest such facility is in San Antonio, hundreds of miles away from the border communities most in need of assistance.

These communities cannot rely on increasing the number of medical residents to supplement their pool of health care providers. The hospital-based residency programs in the area are operating at close to full capacity. Additional infrastructure and resources are necessary to successfully increase the number of medical residents in the area.

The RACH would not aim to increase the number of doctors throughout the state, but rather shift students from other medical schools in the UT system. Students could transfer from other medical schools in Texas to complete their medical education. The bill would also provide an incentive for local high school and undergraduate students to pursue careers in medicine.

The RACH could be modeled on other successful regional health centers in Texas, such as the regional academic health centers affiliated with Texas

Tech University Health Sciences Center. The Tech centers have provided valuable service to rural and other under-served areas, and the South Texas RACH could learn from their successes.

The new RACH could further draw on existing expertise by forging an affiliation with a Texas medical school, such as the University of Texas Health Science Center in San Antonio or University of Texas Medical Branch in Galveston. This would allow the RACH to start from a solid base of information and resources and create the best environment for the new institution's success.

The communities the RACH would serve are committed to financially supporting the project. The medical and business communities, as well as municipal governments, have expressed their willingness to help the RACH succeed. HB 1235 by Junell et al., which has passed the House and is pending in the Senate Finance Committee, would provide the UT system expanded bond issuance authority that could be used to finance some portion of the RACH. Furthermore, the project would not place the state under any financial obligation. The RACH's physical facilities could not be constructed, maintained, or operated with state funds.

CSHB 1557 would be an important first step of a long-range plan to improve health care in South Texas. Establishing the RACH is an essential next step in developing health care education in Texas, a modest alternative to creating a full scale medical school. The RACH would enhance the quality of preventative and indigent health in the Valley, saving the state substantial sums in future health care costs.

**OPPONENTS
SAY:**

CSHB 1557 would not address the Valley's needs in the most cost efficient manner. Although South Texas is deserving of economic development, such an ambitious project as a RACH should not be viewed as a development tool. Instead, it should only be created if it would best meet the needs of the community in question.

South Texas' health care needs could be addressed without a regional medical center. The best predictor of where doctors will practice is the location of their residency programs, not of their previous medical training. The region should focus on expanded residency programs, which would

more quickly provide an infusion of doctors into the area, instead of on constructing a new center, with expensive facilities and long-term overhead obligations.

OTHER
OPPONENTS
SAY:

CSHB 1557 does not adequately describe how the RACH would be funded. Although the bill would prohibit the use of state funds for the center's construction, maintenance and operation, adding a new medical component to the UT system would inevitably bring increased costs for the state. Texas should not undertake a financial burden of undetermined magnitude during this time of economic uncertainty. Higher education institutions are already under severe financial pressure, and if their resources are stretched even thinner among a larger number of institutions, the quality of higher education could be diminished for all Texas' students.

Texas already has a high quality, extensive medical education system. Adding another institution could help create a glut of doctors, especially as potential Medicaid and Medicare cuts threaten the growth of demand.

NOTES:

The committee substitute required that operating costs be paid from the operating funds of the institutions and from available funds of any other public or private entity and prohibited the use of state funds to construct, maintain, or operate the facility.

The companion bill, SB 606 by Lucio, passed the Senate on April 15 and was reported favorably, as amended, by the House Higher Education Committee on May 1, making it eligible to be considered in lieu of HB 1557.