

SUBJECT: Allowing the Travis County Healthcare District to employ physicians

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 8 ayes — Coleman, Bohac, Anderson, Biedermann, Dominguez, Huberty,
Rosenthal, Stickland

0 nays

1 absent — Cole

WITNESSES: For — Guadalupe Zamora, Central Health; (*Registered, but did not testify:*
Dana Harris, Austin Chamber of Commerce; Maureen Milligan, Teaching
Hospitals of Texas; Dan Finch, Texas Medical Association; Julie
Wheeler, Travis County Commissioners Court)

Against — None

BACKGROUND: Health and Safety Code ch. 281 allows the boards of certain county
hospital districts to appoint, contract for, or employ physicians.

Health and Safety Code sec. 281.0281 and Occupations Code ch. 162
allow a hospital district created in a county with a population of more than
800,000 that was not included in the boundaries of a hospital district
before September 1, 2003, (Travis County Healthcare District) to employ
a licensed physician:

- as a medical director who provides only policy, administrative,
and managerial services; or
- as the employee or contractor of a federally authorized migrant,
community, or homeless health center or a federally qualified
health center that has been certified by the board of hospital
managers.

Travis County Healthcare District does not own or operate a hospital but
does contract with private hospital systems to provide care for indigent

residents of the county. Concerns have been raised that the district's inability to install physicians as managers of its indigent coverage programs leaves the district less able to manage its programs in the manner most conducive to improving patient outcomes.

DIGEST:

HB 2976 would allow the board of managers of the Travis County Healthcare District to appoint, contract for, or employ physicians as the board sees necessary for the efficient operation of the district, including the fulfillment of the district's statutory mandate to provide medical care for indigent and needy residents.

The bill would prohibit the term of an employment contract from exceeding four years.

The bill would not authorize the board to supervise or control the practice of medicine.

The district's medical executive board would be required to adopt and enforce policies to ensure that physicians employed by the district exercised their independent medical judgment in providing patient care, including rules requiring the disclosure of financial conflicts of interest by a member of the medical executive board. The board also would be required to develop policies relating to:

- governance of the board;
- credentialing;
- quality assurance;
- utilization review;
- peer review;
- medical decision-making; and
- due process.

Each member of the executive medical board would have to provide biennially a signed, verified statement to the chair stating the member was licensed by the Texas Medical Board and would exercise independent medical judgment in and ensure compliance with the policies listed above.

The member also would have to include in the statement a pledge to report immediately to the Texas Medical Board actions or events the member believed constituted a compromise of the independent medical judgment of a physician in caring for a patient.

The medical executive board and the board of the district would be required to jointly develop a conflict management process to resolve conflicts between policies adopted by the medical executive board and policies of the district.

HB 2976 would establish that for all matters relating to the practice of medicine, each physician employed by the district would report to the chair of the medical executive board for the district.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.