

## **BILL ANALYSIS**

Senate Research Center  
81R3847 KEL-D

S.B. 814  
By: Watson  
Higher Education  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

There is a physician shortage throughout Texas that has been predicted to get worse. The national ratio of primary care physicians to persons is 81 per 100,000, and in Texas, the ratio is 68 per 100,000. About one in five, or 5.1 million Texans, live in a full or partial primary care health professional shortage areas (HPSAs): 114 Texas counties are full HPSAs and another 17 are partial HPSAs. By 2015, Texas will need more than 4,500 additional primary care physicians and other providers to care for the state's underserved population.

As proposed, S.B. 814 requires a physician to have graduated from a medical school of an institution of higher education to be eligible to receive repayment assistance for certain physician education loans. S.B. 814 increases physician eligibility by including those who provide services at a hospital or clinic with a patient population at least 50 percent of whom are uninsured or receive Medicaid, or are employed by a public hospital. S.B. 814 also requires the Texas Higher Education Coordinating Board to set a maximum amount of repayment assistance that may be received by an eligible physician in one year.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board (THECB) is modified in SECTION 2 (Section 61.537, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 61.532, Education Code, as follows:

Sec. 61.532. ELIGIBILITY. (a) Requires a physician, to be eligible to receive repayment assistance, to apply to the Texas Higher Education Coordinating Board (THECB), have graduated from a medical school of an institution of higher education, and have completed at least one year of medical practice:

- (1) in private practice in an economically depressed or rural medically underserved area of the state;
- (2) for the Department of State Health Services (DSHS), the Department of Aging and Disability Services (DADS), the Texas Department of Criminal Justice (TDCJ), or the Texas Youth Commission (TYC), rather than Texas Department of Health, Texas Mental Health and Mental Retardation, or Texas Department of Corrections;
- (3) for an approved family practice residency training program established under Subchapter I (Contracts for Medical Residency Programs) as a clinical faculty member and have completed training in an approved family practice residency training program on or after July 1, 1994; or
- (4) in primary care or in a medical specialty of acute physician shortage, as determined by THECB in consultation with DSHS, and in a hospital or clinic with a patient population of whom at least 50 percent are uninsured or receive Medicaid or a public hospital, as defined by Section 61.002 (Definitions), Health and Safety Code.

(b) Authorizes THECB by rule to provide for repayment assistance on a pro rata basis for physicians practicing as described by Subsection (a)(2-4) on a part-time basis, rather than for physicians practicing part-time for an approved family practice residency training program established under Subchapter I of this chapter or a state agency specified in Subsection (a) of this section.

SECTION 2. Amends Section 61.537(a), Education Code, as follows:

(a) Requires THECB to adopt rules necessary for the administration of this subchapter, including rules that:

(1) set an appropriate maximum amount of repayment assistance that may be received by a physician in one year, except that the maximum amount of repayment assistance that may be received in one year by a physician who establishes eligibility under Section 61.532(a)(4) is prohibited from exceeding 33 percent of the total amount of the physician's eligible loans under Section 61.534 (Eligible Loans) or \$35,000, whichever amount is less;

(2) authorize the Family Practice Residency Advisory Committee to establish priorities among eligible physicians for repayment assistance, by considering, rather than taking into account, the degree of physician shortage, geographic locations, whether the physician is or will be providing service in an economically depressed or rural medically underserved area or service as described by Section 61.532(a)(4), and other criteria the committee considers appropriate; and

(3) administer the program under this subchapter in a manner that maximizes any matching funds available through the National Health Service Corps program of the United States Department of Health and Human Services.

Deletes existing text requiring THECB to adopt rules necessary for the administration of this subchapter, including a rule that sets a maximum amount of repayment assistance that may be received by a physician in one year and a rule that authorizes the Family Practice Residency Advisory Committee to establish priorities among eligible physicians for repayment assistance, by taking into account certain information. Makes nonsubstantive changes.

SECTION 3. Amends Section 61.539, Education Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires that the amount set aside be transferred to the comptroller of public accounts to be maintained in the state treasury for the sole purpose of repayment of student loans of a physician serving in certain locations, or as described by Section 61.532(a)(4). Makes nonsubstantive changes.

(b-1) Creates this subsection from existing text. Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to the amount set aside by this section.

SECTION 4. Requires THECB, as soon as practicable after the effective date of this Act, to adopt rules necessary to administer Subchapter J (Repayment of Certain Physician Education Loans), Chapter 61, Education Code, as amended by this Act.

SECTION 5. Effective date: upon passage or September 1, 2009.