

## **BILL ANALYSIS**

Senate Research Center  
86R4478 SRA-F

S.B. 1142  
By: Watson  
Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1142 brings the Travis County Healthcare District (“Central Health”) in line with other hospital districts by allowing them to appoint, contract for, or employ physicians. This change will allow Central Health to better fulfill its statutory mandate to provide medical care for the indigent and needy residents of Travis County.

The language in S.B. 1142 mirrors the language in existing statutes that apply to other hospital districts and explicitly prevents the board from supervising or controlling the practice of medicine.

As proposed, S.B. 1142 amends current law relating to authority of the Travis County Healthcare District to appoint, contract for, or employ physicians.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the medical executive board in SECTION 1 (Section 281.02185, Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.02815, to read as follows:

Sec. 281.02815. EMPLOYMENT OF PHYSICIANS BY CERTAIN HOSPITAL DISTRICTS. (a) Provides that this section applies only to a 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.

(b) Authorizes the board of the district, in addition to the authority to employ physicians under Section 281.0281 (Employment of Health Care Providers) in the manner and for the purposes provided by that section, to appoint, contract for, or employ physicians as the board considers necessary for the efficient operation of the district.

(c) Prohibits the term of an employment contract entered into under this section from exceeding four years.

(d) Prohibits this section from being construed as authorizing the board to supervise or control the practice of medicine, as prohibited by Subtitle B (Physicians), Title 3, Occupations Code.

(e) Requires the authority granted to the board under Subsection (b) to employ physicians to apply as necessary for the district to fulfill the district's statutory mandate to provide medical care for the indigent and needy residents of the district as provided by Section 281.046 (District Responsibility for Medical Aid and Hospital Care).

(f) The medical executive board of the district shall adopt, maintain, and enforce policies to ensure that a physician employed by the district under this section exercises the physician's independent medical judgment in providing care to patients.

(g) Requires the policies adopted by the medical executive board under this section to include:

(1) policies relating to governance of the medical executive board, credentialing, quality assurance, utilization review, peer review, medical decision-making, and due process; and

(2) rules requiring the disclosure of financial conflicts of interest by a member of the medical executive board.

(h) Requires the medical executive board and the board of the district to jointly develop and implement a conflict management process to resolve any conflict between a policy adopted by the medical executive board under this section and a policy of the district.

(i) Requires a member of the medical executive board who is a physician to provide biennially to the chair of the medical executive board a signed, verified statement indicating that the board member:

(1) is licensed by the Texas Medical Board (TMB);

(2) will exercise independent medical judgment in all medical executive board matters, including matters relating to credentialing, quality assurance, utilization review, peer review, medical decision-making, and due process;

(3) will exercise the board member's best efforts to ensure compliance with the policies that are adopted or established by the medical executive board; and

(4) will report immediately to TMB any action or event that the board member reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

(j) Requires each physician employed by the district under this section, for all matters relating to the practice of medicine, to ultimately report to the chair of the medical executive board for the district.

SECTION 2. Effective date: upon passage or September 1, 2019.