

By: Nelson, et al.

S.B. No. 143

A BILL TO BE ENTITLED

AN ACT

relating to programs designed to enhance medical education in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapters I-1 and II to read as follows:

SUBCHAPTER I-1. PHYSICIAN RESIDENCY GRANTS

Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

(a) The board shall administer the Resident Physician Expansion Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions through community collaboration and innovative funding. The board shall award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under Subsections (b) and (i).

(b) The board shall establish criteria for the grant program in consultation with the executive commissioner of the Health and Human Services Commission, with one or more physicians, teaching hospitals, medical schools, independent physician residency programs, and with other persons considered appropriate by the board. The program criteria must:

(1) take into account the following factors:

(A) the characteristics of existing residency positions that receive state funding;

1 (B) current and projected physician workforce
2 demographics; and

3 (C) state population trends and projections; and

4 (2) support the following goals:

5 (A) creating new residency positions, with an
6 emphasis on creating new first-year residency positions, without
7 adversely affecting existing residency positions;

8 (B) maximizing local or federal matching funds;

9 (C) developing accredited physician residency
10 programs at hospitals that have not previously offered residency
11 programs; and

12 (D) increasing residency positions with respect
13 to:

14 (i) medical specialties having shortages in
15 this state; and

16 (ii) medically underserved areas in this
17 state.

18 (c) The board may provide grants only to support a residency
19 position that:

20 (1) is created and accredited on or after January 1,
21 2014; or

22 (2) was created and accredited before January 1, 2013,
23 but as of that date had not yet been filled.

24 (d) A grant award may be used only to pay direct costs
25 associated with the position, including the salary of the resident
26 physician.

27 (e) Each grant application must specify:

1 (1) the number of residency positions expected to be
2 created with the grant money; and

3 (2) the grant amount requested for each year.

4 (f) The board shall award grants for all residency positions
5 awarded a grant under this section in the preceding year before
6 awarding a grant for a residency position that did not receive a
7 grant in the preceding year, provided that the applicable grant
8 recipient from the preceding year complies with all conditions of
9 the grant as described by Subsection (g).

10 (g) The board shall monitor physician residency programs
11 receiving grants as necessary to ensure compliance with the grant
12 program and shall require the return of any unused grant money by,
13 or shall decline to award additional grants to, a residency program
14 that receives a grant but fails to:

15 (1) create and fill, within a reasonable period, the
16 number of residency positions proposed in the program's grant
17 application; or

18 (2) satisfy any other conditions of the grant imposed
19 by the board.

20 (h) The board shall use money forfeited under Subsection (g)
21 to award grants to other eligible applicants. With respect to the
22 physician residency program forfeiting the grant, the board may
23 restore grant money or award additional grants, as applicable, to
24 the program as soon as practicable after the program satisfies all
25 conditions of the grant.

26 (i) The board shall adopt rules for the administration of
27 the grant program. The rules must include:

- 1 (1) administrative provisions governing:
2 (A) eligibility criteria for grant applicants;
3 (B) grant application procedures;
4 (C) guidelines relating to grant amounts;
5 (D) guidelines relating to the number of grants
6 to be awarded each year, subject to available funds;
7 (E) procedures for evaluating grant
8 applications; and
9 (F) procedures for monitoring the use of grants;
10 (2) methods for tracking the effectiveness of grants;
11 and
12 (3) any conditions relating to the receipt and use of a
13 grant as considered appropriate by the board.
14 (j) Not later than January 1 of each year, the board shall
15 prepare and submit to the governor, the lieutenant governor, the
16 speaker of the house of representatives, the standing committees of
17 the senate and house of representatives with responsibility for
18 oversight of health and human services issues, and the Legislative
19 Budget Board a report that:
20 (1) specifies each of the following with respect to
21 the preceding program year:
22 (A) the number of grants awarded under the
23 program;
24 (B) the amount of each grant awarded under the
25 program;
26 (C) the number of residency positions created
27 with the support of grant money;

1 (D) the medical specialty of the residency
2 positions created; and

3 (E) whether physicians who complete their
4 training through residency positions created under the program
5 choose to practice in this state and which medical specialties they
6 choose for their practices; and

7 (2) makes appropriate recommendations for legislative
8 changes as necessary.

9 Sec. 61.512. GRADUATE MEDICAL EDUCATION PLANNING GRANT
10 PROGRAM. (a) Subject to available funds, the board shall
11 administer a grant program under which the board awards incentive
12 payments to encourage medical schools, teaching hospitals, and
13 other appropriate health care entities to investigate the cost and
14 feasibility of developing accredited physician residency programs
15 at hospitals that have not previously offered residency programs.

16 (b) The board shall adopt rules for the administration of
17 the grant program. The rules must include:

18 (1) administrative provisions governing:

19 (A) eligibility criteria for medical schools,
20 teaching hospitals, and health care entities;

21 (B) grant application procedures;

22 (C) guidelines relating to grant amounts;

23 (D) procedures for evaluating grant
24 applications; and

25 (E) procedures for monitoring the use of grants;
26 and

27 (2) methods for tracking the effectiveness of grants.

1 Sec. 61.513. GIFTS, GRANTS, AND DONATIONS. In addition to
2 other money appropriated by the legislature, the board may solicit,
3 accept, and spend gifts, grants, and donations from any public or
4 private source for the purposes of the programs established under
5 this subchapter.

6 Sec. 61.514. ADMINISTRATIVE COSTS. A reasonable amount,
7 not to exceed three percent, of any money appropriated for purposes
8 of this subchapter may be used by the board to pay the costs of
9 administering this subchapter.

10 SUBCHAPTER II. GRANT PROGRAMS TO SUPPORT

11 PRIMARY CARE IN THIS STATE

12 Sec. 61.9821. PRIMARY CARE PHYSICIAN INCENTIVE PROGRAM.
13 Subject to available funds, the board shall establish a grant
14 program under which the board awards incentive payments to medical
15 schools that demonstrate improvement in the number of physicians
16 who practice in primary care in this state following completion of
17 their residency training.

18 Sec. 61.9822. PRIMARY CARE INNOVATION PROGRAM. Subject to
19 available funds, the board shall establish a grant program under
20 which the board awards incentive payments to medical schools that
21 develop innovative programs designed to increase the number of
22 primary care physicians in this state.

23 Sec. 61.9823. GIFTS, GRANTS, AND DONATIONS. In addition to
24 other money appropriated by the legislature, the board may solicit,
25 accept, and spend gifts, grants, and donations from any public or
26 private source for the purposes of the programs established under
27 this subchapter.

1 Sec. 61.9824. RULES. In consultation with each medical
2 school in this state, the board shall adopt rules for the
3 administration of the programs established under this subchapter.

4 The rules must include:

5 (1) administrative provisions relating to each type of
6 grant under this subchapter, such as:

7 (A) eligibility criteria for medical schools;

8 (B) grant application procedures;

9 (C) guidelines relating to grant amounts;

10 (D) procedures for evaluating grant
11 applications; and

12 (E) procedures for monitoring the use of grants;
13 and

14 (2) methods for tracking the effectiveness of grants
15 that:

16 (A) using data reasonably available to the board,
17 consider relevant information regarding the career paths of medical
18 school graduates during the four-year period following their
19 graduation; and

20 (B) evaluate whether and for how long those
21 graduates work in primary care in this state.

22 Sec. 61.9825. ADMINISTRATIVE COSTS. A reasonable amount,
23 not to exceed three percent, of any money appropriated for purposes
24 of this subchapter may be used by the board to pay the costs of
25 administering this subchapter.

26 SECTION 2. Section 61.532, Education Code, is amended to
27 read as follows:

1 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
2 repayment assistance, a physician must:

3 (1) apply to the coordinating board;

4 (2) at the time of application, be licensed to
5 practice medicine under Subtitle B, Title 3, Occupations Code;

6 (3) have completed one, two, three, or four
7 consecutive years of practice:

8 (A) in a health professional shortage area
9 designated by the Department of State Health Services; or

10 (B) in accordance with Subsection (b), after
11 funds have been fully allocated for the program year to physicians
12 qualifying under Paragraph (A); and

13 (4) provide health care services to:

14 (A) recipients under the medical assistance
15 program authorized by Chapter 32, Human Resources Code;

16 (B) enrollees under the child health plan program
17 authorized by Chapter 62, Health and Safety Code; or

18 (C) persons committed to a secure correctional
19 facility operated by or under contract with the Texas Juvenile
20 Justice Department [~~Youth Commission~~] or persons confined in a
21 secure correctional facility operated by or under contract with any
22 division of the Texas Department of Criminal Justice.

23 (b) A physician may complete one or more years of practice
24 required by Subsection (a)(3) in a location other than a health
25 professional shortage area designated by the Department of State
26 Health Services if, during the applicable year or years, the
27 physician provides health care services to a designated number of

1 patients who are recipients under the medical assistance program
2 authorized by Chapter 32, Human Resources Code, or the Texas
3 Women's Health Program according to criteria established by the
4 board in consultation with the Health and Human Services
5 Commission. The Health and Human Services Commission shall verify
6 a physician's compliance with this subsection, and the board and
7 the commission shall enter into a memorandum of understanding for
8 that purpose.

9 (c) The board annually shall solicit and collect
10 information regarding the specific number of patients described by
11 Subsection (a)(4)(A) who are treated by each physician receiving
12 loan repayment assistance under this subchapter.

13 SECTION 3. Section 61.5391, Education Code, is amended by
14 amending Subsection (a) and adding Subsection (c) to read as
15 follows:

16 (a) The physician education loan repayment program account
17 is an account in the general revenue fund. The account is composed
18 of:

- 19 (1) gifts and grants contributed to the account;
20 (2) earnings on the principal of the account; and
21 (3) other amounts deposited to the credit of the
22 account, including:

23 (A) money deposited under Section 61.539(b) or
24 61.5392;

25 (B) legislative appropriations; and

26 (C) money deposited under Section 155.2415, Tax
27 Code.

1 (c) Money deposited to the credit of the account under
2 Section 61.5392 may be used only to provide loan repayment
3 assistance to physicians who establish eligibility for the
4 assistance under Section 61.532(a)(4)(A) or (b).

5 SECTION 4. Subchapter J, Chapter 61, Education Code, is
6 amended by adding Section 61.5392 to read as follows:

7 Sec. 61.5392. MEDICAID MATCHING FUNDS. (a) For the
8 purposes of this subchapter, the Health and Human Services
9 Commission shall seek any federal matching funds that are available
10 to support Medicaid services in this state.

11 (b) Any amount received under Subsection (a) shall be
12 transferred to the comptroller to be deposited in the physician
13 education loan repayment program account established under Section
14 61.5391. Section 403.095, Government Code, does not apply to any
15 amount deposited under this section.

16 SECTION 5. (a) As soon as practicable after the effective
17 date of this Act, the Texas Higher Education Coordinating Board
18 shall adopt rules for the implementation and administration of the
19 grant programs established under Subchapters I-1 and II, Chapter
20 61, Education Code, as added by this Act. The coordinating board
21 may adopt the initial rules in the manner provided by law for
22 emergency rules.

23 (b) Not later than October 1, 2013, the Texas Higher
24 Education Coordinating Board shall establish the grant programs
25 required by Subchapter I-1, Chapter 61, Education Code, as added by
26 this Act, and shall begin to award grants under those programs not
27 later than January 1, 2014.

1 (c) Not later than January 1, 2014, the Texas Higher
2 Education Coordinating Board shall establish the grant programs
3 required by Subchapter II, Chapter 61, Education Code, as added by
4 this Act, and shall begin to award grants under those programs not
5 later than September 1, 2014.

6 (d) Not later than October 1, 2013, the Texas Higher
7 Education Coordinating Board and the Health and Human Services
8 Commission shall enter into the memorandum of understanding
9 required by Subsection (b), Section 61.532, Education Code, as
10 added by this Act. As soon as practicable after the date of the
11 memorandum, the coordinating board shall begin awarding loan
12 repayment assistance to physicians who establish eligibility under
13 that subsection.

14 SECTION 6. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2013.