1-1 By: S.B. No. 319 Watson, et al. (In the Senate - Filed March 9, 2017; March 16, 2017, read first time and referred to Committee on Agriculture, Water & Rural 1-2 1-3 Affairs; April 18, 2017, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 0; 1-4 1-5 April 18, 2017, sent to printer.) 1-6

1 - 7COMMITTEE VOTE

1-8		Yea	Nay	Absent	PNV
1-9	Perry	X			
1-10	Rodríguez	X			
1-11	Creighton	X			
1-12	Hall	X			,
1-13	Hinojosa	X			
1-14	Kolkhorst	X			
1-15	Miles	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 319

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By: Perry

1-17 A BILL TO BE ENTITLED 1-18 AN ACT

relating to the continuation and functions of the State Board of Veterinary Medical Examiners; authorizing a reduction in fees; providing penalties.

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

Section 801.003, Occupations Code, is amended to SECTION 1. read as follows:

Sec. 801.003. APPLICATION OF SUNSET ACT. The State Board of Veterinary Medical Examiners is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2021 [2017].

SECTION 2. Section 801.051(a), Occupations Code, is amended to read as follows:

- The State Board of Veterinary Medical Examiners (a) consists of nine members appointed by the governor with the advice and consent of the senate as follows:
 - (1)five [six] veterinarian members, including:

(A) one veterinarian member who is associated with an animal shelter; and

(B) one veterinarian member who has at least three years of experience practicing veterinary medicine in this state on horses, livestock, or other large animals; [and]

one licensed veterinary technician member; and

three members who represent the public. (3)

SECTION 3. Section 801.057, Occupations Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

- (b) The training program must provide the person with information regarding:
 - the law governing board operations; (1)
- (2) the [legislation that created the
- board's] programs, functions, rules, and budget of the board;
 (3) the scope of and limitations on the rulemaking

1-52 authority of the board; 1-53

(4) the types of board rules, interpretations, and enforcement actions that may implicate federal antitrust law by limiting competition or impacting prices charged by persons engaged in a profession or business the board regulates, including rules, interpretations, and enforcement actions that:

(A) regulate the scope of practice of persons in

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(B) restrict advertising by persons in a

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profession or business the board regulates;
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(C) affect the price of goods services or provided by business the board persons in a profession or regulates; or

(D) restrict participation in a profession or business the board regulates;

(5) [(2)] the results of the most recent formal audit

(6) [(3)] the requirements of:

(A) laws relating to open meetings, information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to members of the board in performing their duties; and

(7) (4) any applicable ethics policies adopted by the board or the Texas Ethics Commission.

(d) The executive director of the board shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each board member. On receipt of the training manual, each board member shall sign and submit to the executive director a statement acknowledging receipt of the training manual.

SECTION 4. Section 801.154, Occupations Code, is amended to read as follows:

Sec. 801.154. FEES. $[\frac{a}{a}]$ The board by rule shall set fees in amounts that are reasonable and necessary so that the fees, in the aggregate, cover the costs of administering this chapter. [The board may not set a fee that existed on September 1, 1993, amount that is less than the fee on that date.

SECTION 5. Subchapter D, Chapter 801, Occupations Code, is amended by adding Section 801.164 to read as follows:

Sec. 801.164. RISK-BASED INSPECTIONS RELATED TO CONTROLLED SUBSTANCES PRACTICES. The board may conduct a risk-based inspection of a veterinarian's practice based on information obtained from the veterinarian or another source concerning the veterinarian's use, handling, prescribing, dispensing, or delivery of controlled substances.

SECTION 6. Section 801.205, Occupations Code, is amended to read as follows:

Sec. 801.205. GENERAL RULES REGARDING COMPLAINT INVESTIGATION AND DISPOSITION. The board shall adopt rules relating to the investigation of complaints filed with the board. The rules must:

- (1)distinguish between categories of complaints;
- (2) ensure that complaints are not dismissed without appropriate consideration;
- (3) require that the board be advised of a complaint that is dismissed [and that a written explanation be given to the person who filed the complaint explaining the action taken on the dismissed complaint];
- (4) ensure that the person who filed the complaint has the opportunity to explain the allegations made in the complaint;
- (5) prescribe guidelines concerning the categories of complaints that require the use of a private investigator and the procedures for the board to obtain the services of a private investigator.

SECTION 7. Section 801.2055, Occupations Code, is amended to read as follows:

Sec. 801.2055. COMPLAINTS REQUIRING MEDICAL EXPERTISE. A complaint that requires medical expertise to review must be reviewed by one [two] or more veterinarians designated by the [veterinarian] board [members]. The veterinarian reviewers [board members] shall determine whether to dismiss the complaint or refer it to an informal proceeding under Section 801.408.

If the veterinarian reviewers determine to: (b)

(1) dismiss the complaint, the dismissal must be approved by the board at a public meeting; or

C.S.S.B. No. 319

refer the complaint to an informal proceeding, <u>com</u>plaint referred to an informal proceeding under Section 801.408.

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- (c) If the board designates more than one veterinarian reviewer and the reviewers [members] do not agree to dismiss or refer the complaint to an informal proceeding, the complaint is referred to an informal proceeding under Section 801.408.
- (d) A veterinarian board member who reviews a complaint this section may not participate in any subsequent under disciplinary proceeding related to the complaint.

SECTION 8. Section 801.207, Occupations Code, is amended by amending Subsection (b) and adding Subsections (c), (d), and (e) to read as follows:

- (b) <u>Each complaint</u>, <u>investigation file and record</u>, <u>and other investigation report and all other investigative information in the possession of or received or gathered by the board or the</u> board's employees or agents relating to a license holder, an application for license, or a criminal investigation or proceeding is privileged and confidential and is not subject to discovery, subpoena, or other means of legal compulsion for release to anyone other than the board or the board's employees or agents involved in discipline of a license holder [An investigation record of board, including a record relating to a complaint that is found to be groundless, is confidential].
- (c) The board shall protect the identity of a complainant to the extent possible.
- (d) Not later than the 30th day after the date of receipt of a written request from a license holder who is the subject of a formal complaint initiated and filed under this subchapter or from the license holder's counsel of record, and subject to any other privilege or restriction set forth by rule, statute, or legal precedent, and unless good cause is shown for delay, the board shall provide the license holder with access to all information in its possession that the board intends to offer into evidence in presenting its case in chief at the contested hearing on the complaint. The board is not required to provide:
 - (1) a board investigative report or memorandum;
 - (2) the identity of a nontestifying complainant; or
- (3) attorney-client communications, attorney work product, or other materials covered by a privilege recognized by the Texas Rules of Civil Procedure or the Texas Rules of Evidence.
- (e) Furnishing information under Subsection (d) does not constitute a waiver of privilege or confidentiality under this

<u>chapter or other applicable law.</u>

SECTION 9. Subchapter E, Chapter 801, Occupations Code, is amended by adding Section 801.208 to read as follows:

Sec. 801.208. NOTIFICATION TO COMPLAINANT REGARDING COMPLAINT DISPOSITION. (a) The board shall promptly notify a complainant of the final disposition of the complaint, including notice:

- that the complaint was dismissed;
- (2) that a penalty, disciplinary action, or other sanction was imposed; or
- (3) that the complaint was disposed of in another
- manner and the nature of that disposition.

 (b) The board shall include with the notification a copy of
- any public sanction imposed by the board.

 (c) The board shall include in the notification explanation of each reason for the disposition, including, as applicable, in plain, easily understandable language, each reason the conduct alleged in the complaint did or did not constitute grounds for the imposition of a penalty, disciplinary action, other sanction.
- (d) The notification may not include information that is
- confidential under Section 801.207(b).

 SECTION 10. Subchapter E, Chapter 801, Occupations Code, is amended by adding Section 801.209 to read as follows:
- Sec. 801.209. REQUIREMENTS FOR CERTAIN COMPLAINTS. (a) In 3-68 3-69 this section:

C.S.S.B. No. 319

"Anonymous complaint" means a complaint that lacks sufficient information to identify the source or the name of the person who filed the complaint.

"Insurance professional" means a person licensed

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under Title 13, Insurance Code.

(3) "Insurer" means an insurance company or other entity authorized to engage in the business of insurance under Title 6, Insurance Code.
(b) The board may

The board may not accept anonymous complaints.

Notwithstanding any confidentiality requirements under (c) Chapter 552, Government Code, or this chapter, a complaint filed with the board against a license holder by a pharmaceutical company or by an insurance professional or insurer relating to insurance covering veterinary services must include the name and address of the pharmaceutical company, insurance professional, or insurer filing the complaint. Not later than the 15th day after the date the complaint is filed with the board, the board shall notify the license holder who is the subject of the complaint of the name and address of the pharmaceutical company, insurance professional, or insurer who filed the complaint, unless the notice would jeopardize an investigation.

SECTION 11. Subchapter F, Chapter 801, Occupations Code, is amended by adding Section 801.267 to read as follows:

Sec. 801.267. CRIMINAL HISTORY RECORD INFORMATION FOR LICENSE ISSUANCE. (a) The board shall require that an applicant for a license submit a complete and legible set of fingerprints, on a form prescribed by the board, to the board or to the Department of Public Safety for the purpose of obtaining criminal history record information from the Department of Public Safety and the Federal Bureau of Investigation.

(b) The board may

The board may not issue a license to a person who does

not comply with the requirement of Subsection (a).

(c) The board shall conduct a criminal history record information check of each applicant for a license using information: (1)

provided by the individual under this section; and (2) made available to the board by the Department of Public Safety, the Federal Bureau of Investigation, and any other criminal justice agency under Chapter 411, Government Code.

The board may:

(1) enter into an agreement with the Department Public Safety to administer a criminal history record information check required under this section; and

(2) authorize the Department of Public Safety to collect from each applicant the costs incurred by the Department of Public Safety in conducting the criminal history record information check.

SECTION 12. Section 801.301, Occupations Code, is amended to read as follows:

Sec. 801.301. LICENSE TERM AND [ANNUAL] RENEWAL [REQUIRED]. The board shall provide:

(1) that each type of license under this chapter is valid for a term of one year or two years; and

(2) for the [annual] renewal of a license.

(b) The board by rule may adopt a system under which licenses expire on various dates during the year.

(c) For a year in which the license expiration date is changed, the board shall prorate license fees [payable on March 1 shall be prorated] on a monthly basis so that each license holder pays only that portion of the fee that is allocable to the number of months during which the license is valid. On renewal of the license on the new expiration date, the total license renewal fee is payable.

SECTION 13. Section 801.306, Occupations Code, is amended to read as follows:

Sec. 801.306. INACTIVE STATUS. The board by rule may provide for the placement of a license holder on inactive status. [The rules adopted under this section must include time a license holder may remain on inactive status.]

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C.S.S.B. No. 319
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SECTION 14. Sections 801.307(b) and (c), Occupations Code, are amended to read as follows:

The board may:

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- general categories of (1)establish continuing education that meet the needs of license holders; [and]
- (2) require a license holder to successfully complete continuing education courses; and

(3) for a license valid for two years, provide a one year or two year period for the completion of continuing education.

(c) The board may require a license holder who does not

complete the required number of hours of continuing education in a period [year] to make up the missed hours in a later period [years]. Hours required to be made up in a later period [year] are in addition to the hours normally required to be completed in that period [year].

SECTION 15. Subchapter G, Chapter 801, Occupations Code, is amended by adding Section 801.309 to read as follows:

INFORMATION Sec. 801.309. CRIMINAL HISTORY RECORD REQUIREMENT FOR LICENSE RENEWAL. (a) An applicant renewing a license issued under this chapter shall submit a complete and legible set of fingerprints for purposes of performing a criminal history record information check of the applicant as provided by

Section 801.267.

(b) The board may administratively suspend or refuse to renew the license of a person who does not comply with the requirement of Subsection (a).

(c) A license holder is not required to submit fingerprints under this section for the renewal of the license if the license holder has previously submitted fingerprints under:
(1) Section 801.267 for the initial

issuance of the license; or

this section as part of a prior license renewal. SECTION 16. The heading to Section 801.407, Occupations Code, is amended to read as follows:

Sec. 801.407. RIGHT TO HEARING[$\frac{}{}$; SCHEDULE OF SANCTIONS]. SECTION 17. Section 801.407(c), Occupations Code, amended to read as follows:

(c) The State Office of Administrative Hearings shall use the schedule of sanctions <u>under Section 801.411</u> [adopted by board rule] for any sanction imposed as the result of a hearing conducted by that office.

SECTION 18. Subchapter I, Chapter 801, Occupations Code, is amended by adding Section 801.411 to read as follows:

Sec. 801.411. SCHEDULE OF SANCTIONS. (a) The board by rule shall adopt a schedule of penalties, disciplinary actions, and other sanctions that the board may impose under this chapter.

(b) In adopting the schedule of sanctions under Subsection the board shall ensure that the severity of the sanction imposed is appropriate to the type of violation or conduct that is the basis for disciplinary action. The schedule must provide that the type of disciplinary action or other sanction and the amount of a penalty imposed under this chapter must be based on:

the seriousness of the violation, including: (1)

(A) the nature, circumstances, extent, and gravity of any prohibited act; and

(B) the hazard or potential hazard created to the health, safety, or economic welfare of the public;

(2) the economic harm to property or the environment caused by the violation;

the history of previous violations; the amount of penalty or type of disciplinary action or sanction necessary to deter a future violation;

(5) efforts to correct the violation; and

(6) any other matter that justice may require. SECTION 19. Sections 801.452(b) and (c), Occupations Code,

are amended to read as follows: (b) The amount of the penalty shall be based on the schedule

of sanctions adopted under Section 801.411[+ the seriousness of the violation, including:

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C.S.S.B. No. 319
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the nature, circumstances,
                                                     extent,
gravity of any prohibited act; and
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(B) the hazard or potential hazard created to safety, or economic welfare of the public;

the economic harm to property or the environment $\lceil \frac{(2)}{} \rceil$ caused by the violation;

the history of previous violations;

 $[\frac{4}{}]$ the amount necessary to deter a future violation;

efforts to correct the violation; and

[(6) any other matter that justice may require].

A committee described by Section $801.4\overline{08}(c)$ or (d) shall recommend the amount of the administrative penalty based on the schedule of sanctions adopted under Section 801.411 [a standardized penalty schedule. The board by rule shall develop the standardized penalty schedule based on the criteria listed in Subsection (b)].

SECTION 20. Subchapter K, Chapter 801, Occupations Code, is amended by adding Section 801.5011 to read as follows:

Sec. 801.5011. MONITORING HARMFUL PRESCRIBING AND DISPENSING PATTERNS. (a) The board shall periodically check the prescribing and dispensing information submitted to the Texas State Board of Pharmacy as authorized by Section 481.076(a)(1), Health and Safety Code, to determine whether a veterinarian is engaging in potentially harmful prescribing or dispensing patterns <u>practices.</u>

The board, in coordination with the Texas State Board of (b) Pharmacy, shall determine the conduct that constitutes a potentially harmful prescribing or dispensing pattern or practice for purposes of Subsection (a). In determining the conduct that constitutes a potentially harmful prescribing or dispensing pattern or practice, the board, at a minimum, shall consider:

(1) the number of times a veterinarian prescribes or

dispenses:

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opioids; (B) benzodiazepines; (C) barbiturates; or
(D) carisoprodol; and

for prescriptions and dispensations described by Subdivision (1), patterns of prescribing or dispensing combinations of those drugs and other dangerous combinations of drugs identified by the board.

(c) If the board suspects that a veterinarian may be

engaging in potentially harmful prescribing or dispensing patterns or practices, the board may notify the veterinarian of the

potentially harmful prescribing or dispensing pattern or practice.

(d) The board may initiate a complaint against a veterinarian based on information obtained under this section.

SECTION 21. (a) For purposes of Section 801.003, Occupations Code, as amended by this Act, the Sunset Advisory Commission shall conduct a special-purpose review of the State Board of Veterinary Medical Examiners for the 87th Legislature.

(b) In conducting the special-purpose review under this section:

(1) the Sunset Advisory Commission staff evaluation and report must be limited to reviewing the effectiveness of recommendations made by the Sunset Advisory Commission to the 85th Legislature; and

(2) the Sunset Advisory Commission's recommendations to the 87th Legislature may include any recommendation the commission considers appropriate based on the special-purpose review.

SECTION 22. (a) The changes in law made by this Act to Section 801.051(a), Occupations Code, do not affect the entitlement of a member serving on the State Board of Veterinary Medical Examiners immediately before the effective date of this Act to continue to serve for the remainder of the member's term. As the terms of board members expire, the governor shall appoint or reappoint members who have the qualifications required for members under Section 201 051 Occupations Code as amended by this Act under Section 801.051, Occupations Code, as amended by this Act.

(b) In making appointments under Section 801.051(a),

C.S.S.B. No. 319 Occupations Code, as amended by this Act, the governor may not appoint a veterinarian member who is not described by Section $801.051(a)\,(1)\,(A)$ or (B) unless one member described by Section 801.051(a)(1)(A), member one described bу Section 801.051(a)(1)(B), by and one member described Section 801.051(a)(2) have been appointed to or are serving on the State Board of Veterinary Medical Examiners. This subsection does not apply after the first date on which one member described by Section 801.051(a)(1)(A), described member bу Section one 801.051(a)(1)(B), bу and one member described Section

801.051(a)(2) are serving on the board. SECTION 23. (a) Except as provided by Subsection (b) of this section, Section 801.057, Occupations Code, as amended by this Act, applies to a member of the State Board of Veterinary Medical Examiners appointed before, on, or after the effective date of this

Act.

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A member of the State Board of Veterinary Medical Examiners who, before the effective date of this Act, completed the training program required by Section 801.057, Occupations Code, as that law existed before the effective date of this Act, is only required to complete additional training on the subjects added by this Act to the training program required by Section 801.057, Occupations Code. A board member described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the board held on or after December 1, 2017, until the member completes the additional training.

SECTION 24. (a) The following changes in law apply only to a complaint filed with the State Board of Veterinary Medical Examiners on or after the effective date of this Act:

- (1)Section 801.205, Occupations Code, as amended by this Act;
- (2) Section 801.2055, Occupations Code, as amended by this Act;
- (3) Section 801.207(b), Occupations Code, as amended by this Act, and Sections 801.207(c), (d), and (e), Occupations Code, as added by this Act;
- Section 801.208, Occupations Code, as added by (4)this Act; and
- (5) Section 801.209, Occupations Code, as added by this Act.

A complaint filed before the effective date of this Act (b) is governed by the law in effect on the date the complaint was filed, and the former law is continued in effect for that purpose.

SECTION 25. Sections 801.267 and 801.309, Occupations Code, as added by this Act, apply only to an application for the issuance or renewal of a license submitted to the State Board of Veterinary Medical Examiners on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 26. Sections 801.407(c) and 801.452(b) and (c), Occupations Code, as amended by this Act, and Section 801.411, Occupations Code, as added by this Act, apply only to conduct that occurs on or after the date that rules under Section 801.411 become effective. Conduct that occurs before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 27. This Act takes effect September 1, 2017.

7-60 * * * * *