

1-1 By: Hughes S.B. No. 833  
1-2 (In the Senate - Filed February 10, 2017; February 27, 2017,  
1-3 read first time and referred to Committee on Health & Human  
1-4 Services; May 1, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 May 1, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Schwertner	X		
1-10	Uresti	X		
1-11	Buckingham	X		
1-12	Burton	X		
1-13	Kolkhorst	X		
1-14	Miles	X		
1-15	Perry	X		
1-16	Taylor of Collin	X		
1-17	Watson	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 833 By: Perry

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the regulation of certain health organizations  
1-22 certified by the Texas Medical Board; providing an administrative  
1-23 penalty.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 162.003, Occupations Code, is amended to  
1-26 read as follows:

1-27 Sec. 162.003. REFUSAL TO CERTIFY; REVOCATION; PENALTY. On  
1-28 a determination that a health organization commits a violation of  
1-29 this subtitle or is established, organized, or operated in  
1-30 violation of or with the intent to violate this subtitle, the board  
1-31 may:

1-32 (1) refuse to certify the health organization on  
1-33 application for certification by the organization under Section  
1-34 162.001;

1-35 (2) revoke a certification made under Section 162.001  
1-36 to that organization; or

1-37 (3) impose an administrative penalty against the  
1-38 health organization under Subchapter A, Chapter 165.

1-39 SECTION 2. Subchapter A, Chapter 162, Occupations Code, is  
1-40 amended by adding Sections 162.004 and 162.005 to read as follows:

1-41 Sec. 162.004. PROCEDURES FOR AND DISPOSITION OF COMPLAINTS  
1-42 AGAINST NONPROFIT HEALTH CORPORATIONS. (a) The board shall accept  
1-43 and process complaints against a health organization certified  
1-44 under Section 162.001(b) for alleged violations of this subchapter  
1-45 or any other provision of this subtitle applicable to a health  
1-46 organization in the same manner as provided under Subchapter B,  
1-47 Chapter 154, and the rules adopted under that subchapter, including  
1-48 the requirements to:

1-49 (1) maintain a system to promptly and efficiently act  
1-50 on complaints filed with the board;

1-51 (2) ensure that a complaint is not dismissed without  
1-52 appropriate consideration; and

1-53 (3) establish methods by which physicians employed by  
1-54 a health organization are notified of the name, mailing address,  
1-55 and telephone number of the board for the purpose of directing  
1-56 complaints under this section to the board.

1-57 (b) Each complaint, adverse report, investigation file,  
1-58 other investigation report, and other investigative information in  
1-59 the possession of or received or gathered by the board or the  
1-60 board's employees or agents relating to a health organization

2-1 certified under Section 162.001(b) is privileged and confidential  
2-2 and is not subject to discovery, subpoena, or other means of legal  
2-3 compulsion for release to anyone other than the board or the board's  
2-4 employees or agents involved in the investigation or discipline of  
2-5 a health organization certified under Section 162.001(b).

2-6 (c) The board may dispose of a complaint or resolve the  
2-7 investigation of a complaint under this section in a manner  
2-8 provided under Subchapter A, Chapter 164, to the extent the board  
2-9 determines the provisions of that subchapter can be made applicable  
2-10 to a health organization certified under Section 162.001.

2-11 (d) The board may adopt rules as necessary to implement this  
2-12 section.

2-13 Sec. 162.005. RETALIATION PROHIBITED. (a) In this  
2-14 section, "nonprofit health corporation" means a health  
2-15 organization certified under Section 162.001(b).

2-16 (b) A nonprofit health corporation may not, as applicable,  
2-17 terminate, demote, retaliate against, discipline, discriminate  
2-18 against, or otherwise penalize a person, a person's family member,  
2-19 or a person's partner because the person:

2-20 (1) files a complaint under Section 162.004;

2-21 (2) reports in good faith an act or omission that the  
2-22 person reasonably believes is a violation or attempted violation of  
2-23 applicable state or federal law, including rules adopted under  
2-24 state or federal law, to, as appropriate:

2-25 (A) the nonprofit health corporation;

2-26 (B) a regulatory agency; or

2-27 (C) a law enforcement authority;

2-28 (3) initiates or cooperates in an investigation or  
2-29 proceeding of a regulatory agency or law enforcement authority  
2-30 relating to care or services provided by, or policies of, the  
2-31 nonprofit health corporation; or

2-32 (4) communicates to a patient information regarding  
2-33 medically appropriate health care.

2-34 (c) A nonprofit health corporation may not prohibit,  
2-35 restrict, or discourage a person from taking any action described  
2-36 by Subsection (b).

2-37 (d) A person who makes a report under Subsection (b)(2) is  
2-38 immune from civil liability for a report made in good faith.

2-39 (e) An employment contract between a nonprofit health  
2-40 corporation and a physician must contain a provision requiring the  
2-41 nonprofit health corporation to comply with the requirements of  
2-42 this section.

2-43 SECTION 3. Section 162.003, Occupations Code, as amended by  
2-44 this Act, and Section 162.004, Occupations Code, as added by this  
2-45 Act, apply only to a violation by a health organization that occurs  
2-46 on or after the effective date of this Act. A violation that occurs  
2-47 before the effective date of this Act is governed by the law in  
2-48 effect on the date the violation occurred, and the former law is  
2-49 continued in effect for that purpose.

2-50 SECTION 4. Section 162.005, Occupations Code, as added by  
2-51 this Act, applies only to an adverse action that is taken by a  
2-52 nonprofit health corporation on or after the effective date of this  
2-53 Act. An adverse action taken before the effective date of this Act  
2-54 is governed by the law in effect on the date the adverse action was  
2-55 taken, and the former law is continued in effect for that purpose.

2-56 SECTION 5. Section 162.005(e), Occupations Code, as added  
2-57 by this Act, applies only to a contract entered into on or after the  
2-58 effective date of this Act.

2-59 SECTION 6. This Act takes effect September 1, 2017.

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