

AN ACT

relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education and to measures to enhance medical education.

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

SECTION 1. Subchapter U, Chapter 51, Education Code, is amended by adding Section 51.810 to read as follows:

Sec. 51.810. HIGHER EDUCATION ASSISTANCE PLANS. (a) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Institution of higher education" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(b) The institution of higher education in closest geographic proximity to a public high school in this state identified by the coordinating board for purposes of this section as substantially below the state average in the number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions. Under the plan, the institution shall:

(1) collaborate with the high school to:

1 (A) provide to prospective students information
2 related to enrollment in an institution of higher education or a
3 private or independent institution of higher education, including
4 admissions, testing, and financial aid information;

5 (B) assist those prospective students in
6 completing applications and testing related to enrollment in those
7 institutions, including admissions and financial aid applications,
8 and fulfilling testing requirements; and

9 (C) target efforts to increase the number of
10 Hispanic students and African American male students enrolled in
11 higher education institutions; and

12 (2) actively engage with local school districts to
13 provide access to rigorous, high-quality dual credit opportunities
14 for qualified high school students as needed.

15 (c) An institution of higher education must include a plan
16 developed by the institution under this section and the results of
17 that plan in its annual report to the coordinating board under
18 Section 51.4032.

19 (d) The coordinating board shall include in its annual
20 "Closing the Gaps" higher education plan progress report a summary
21 of the results of the plans developed and administered under this
22 section.

23 (e) The coordinating board may adopt rules to implement this
24 section.

25 SECTION 2. Subtitle A, Title 3, Education Code, is amended
26 by adding Chapter 58A to read as follows:

27 CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL EDUCATION

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 58A.001. DEFINITION. In this chapter, "board" means
3 the Texas Higher Education Coordinating Board.

4 SUBCHAPTER B. GRADUATE MEDICAL EDUCATION

5 RESIDENCY EXPANSION

6 Sec. 58A.021. ADMINISTRATION. The board shall allocate
7 funds appropriated for purposes of this subchapter and may adopt
8 necessary rules regarding the allocation of those funds.

9 Sec. 58A.022. PLANNING GRANTS. (a) The board shall award
10 one-time planning grants to entities located in this state that:

11 (1) have never had a graduate medical education
12 program; and

13 (2) are eligible for Medicare funding of graduate
14 medical education.

15 (b) The board shall award planning grants on a competitive
16 basis according to criteria adopted by the board. The board shall
17 determine the number of grants awarded and the amount of each grant
18 consistent with any conditions provided by legislative
19 appropriation. A grant received under this section must be used for
20 the purpose of planning additional first-year residency positions.

21 (c) An application for a planning grant for a state fiscal
22 year must be submitted to the board not later than July 15 preceding
23 that fiscal year. Not later than August 15, the board shall make
24 decisions about grant awards for the following state fiscal year.

25 (d) An entity that is awarded a planning grant and
26 establishes new first-year residency positions after receipt of the
27 grant is eligible for additional funds for each such position

1 established, as provided by appropriation.

2 Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS. (a)
3 The board shall award grants to graduate medical education programs
4 to enable those programs to fill accredited but unfilled first-year
5 residency positions. The board shall determine the number of
6 grants awarded and the amount of each grant consistent with any
7 conditions provided by legislative appropriation.

8 (b) A grant received under this section must be expended to
9 support the direct resident costs to the program, including the
10 resident stipend and benefits.

11 (c) A grant application must include proof of the accredited
12 but unfilled positions to which the application applies. An
13 application for a grant must be submitted to the board not later
14 than October 1 preceding the period for which the grant is made.
15 The board shall make decisions about grant awards not later than
16 January 1 preceding the grant period.

17 (d) The board may distribute a grant amount for a residency
18 position only on receiving verification that the applicable
19 residency position has been filled.

20 (e) Grant amounts are awarded under this section for two
21 consecutive state fiscal years. For each first-year residency
22 position for which a program receives an initial grant amount in a
23 fiscal year, the board shall award the program an equal grant amount
24 for the following fiscal year.

25 Sec. 58A.024. GRANTS FOR PROGRAM EXPANSION OR NEW PROGRAM.

26 (a) The board shall award grants to enable existing graduate
27 medical education programs to increase the number of first-year

1 residency positions or to provide for the establishment of new
2 graduate medical education programs with first-year residency
3 positions. The board shall determine the number of grants awarded
4 and the amount of each grant consistent with any conditions
5 provided by legislative appropriation.

6 (b) A grant received under this section must be expended to
7 support the direct resident costs to the program, including the
8 resident stipend and benefits.

9 (c) A grant application must include a plan for receiving
10 accreditation for the increased number of positions or for the new
11 program, as applicable. An application for a grant must be
12 submitted to the board not later than October 1 preceding the period
13 for which the grant is made. The board shall make decisions about
14 grant awards not later than January 1 preceding the grant period.

15 (d) The board may distribute a grant amount for a residency
16 position only on receiving verification that the applicable
17 residency position has been filled.

18 (e) Grant amounts are awarded under this section for three
19 consecutive state fiscal years. For each first-year residency
20 position for which a program receives an initial grant amount in a
21 fiscal year, the board shall award the program an equal grant amount
22 for the following two fiscal years.

23 Sec. 58A.025. PRIORITY GRANTS; ADJUSTMENT OF AMOUNTS. (a)
24 If the board determines that the number of first-year residency
25 positions proposed by eligible applicants under Sections 58A.023
26 and 58A.024 exceeds the number authorized by appropriation, in
27 awarding grants the board:

1 (1) may give priority for up to 50 percent of the
2 funded first-year residency positions to be in primary care or
3 other critical shortage areas in this state; and

4 (2) may not reduce grant amounts awarded per resident
5 position, but may proportionately reduce the number of positions
6 funded for each program.

7 (b) If the board determines that, based on applications
8 received, the entire appropriation will not be awarded for that
9 year for graduate medical education residency expansion under
10 Sections 58A.023 and 58A.024, the board may transfer and use the
11 funds for the purposes of Section 58A.022 and may adjust the number
12 of grants awarded under that section accordingly.

13 Sec. 58A.026. GRANTS FOR ADDITIONAL YEARS OF RESIDENCY.

14 (a) If the board determines that funds appropriated for purposes of
15 this subchapter are available after all eligible grant applications
16 under Sections 58A.022, 58A.023, and 58A.024 have been funded, the
17 board shall award grants from excess funds to support residents:

18 (1) who have completed at least three years of
19 residency; and

20 (2) whose residency program is in a field in which this
21 state has less than 80 percent of the national average of physicians
22 per 100,000 population, as determined by the board.

23 (b) Grants shall be awarded under this section in amounts,
24 in the number, and in the residency fields determined by the board,
25 subject to any conditions provided by legislative appropriation. A
26 grant received under this section must be expended to support the
27 direct resident costs to the program, including the resident

1 stipend and benefits.

2 (c) The board may distribute grant amounts only on receiving
3 verification that the applicable residency position has been
4 filled.

5 (d) The board may award grants under this section only from
6 funds appropriated for the state fiscal year beginning September 1,
7 2016, or for a subsequent state fiscal year.

8 SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

9 Sec. 58A.051. PRIMARY CARE INNOVATION PROGRAM. Subject to
10 available funds, the board shall establish a grant program under
11 which the board awards incentive payments to medical schools that
12 administer innovative programs designed to increase the number of
13 primary care physicians in this state.

14 Sec. 58A.052. GIFTS, GRANTS, AND DONATIONS. In addition to
15 other money appropriated by the legislature, the board may solicit,
16 accept, and spend gifts, grants, and donations from any public or
17 private source for the purposes of the program established under
18 this subchapter.

19 Sec. 58A.053. RULES. In consultation with each medical
20 school in this state, the board shall adopt rules for the
21 administration of the program established under this subchapter.

22 The rules must include:

23 (1) administrative provisions relating to the
24 awarding of grants under this subchapter, such as:

25 (A) eligibility criteria for medical schools;

26 (B) grant application procedures;

27 (C) guidelines relating to grant amounts;

1 (D) procedures for evaluating grant
2 applications; and

3 (E) procedures for monitoring the use of grants;
4 and

5 (2) methods for tracking the effectiveness of grants
6 that:

7 (A) using data reasonably available to the board,
8 consider relevant information regarding the career paths of medical
9 school graduates during the four-year period following their
10 graduation; and

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

13 Sec. 58A.054. ADMINISTRATIVE COSTS. A reasonable amount,
14 not to exceed three percent, of any money appropriated for purposes
15 of this subchapter may be used by the board to pay the costs of
16 administering this subchapter.

17 SECTION 3. Subchapter I, Chapter 61, Education Code, is
18 amended by adding Section 61.511 to read as follows:

19 Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

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

27 (b) The board shall establish criteria for the grant program

1 in consultation with the executive commissioner of the Health and
2 Human Services Commission, with one or more physicians, teaching
3 hospitals, medical schools, independent physician residency
4 programs, and with other persons considered appropriate by the
5 board. The program criteria must:

6 (1) take into account the following factors:

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

9 (B) current and projected physician workforce
10 demographics; and

11 (C) state population trends and projections; and

12 (2) support the following goals:

13 (A) creating new residency positions, with an
14 emphasis on creating new first-year residency positions, without
15 adversely affecting existing residency positions;

16 (B) maximizing local or federal matching funds;

17 (C) developing accredited physician residency
18 programs at hospitals that have not previously offered residency
19 programs; and

20 (D) increasing residency positions with respect
21 to:

22 (i) medical specialties having shortages in
23 this state; and

24 (ii) medically underserved areas in this
25 state.

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

1 (1) is created and accredited on or after January 1,
2 2014; or

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

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

8 (e) Each grant application must specify:

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

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

12 (f) The board shall award grants for all residency positions
13 awarded a grant under this section in the preceding year before
14 awarding a grant for a residency position that did not receive a
15 grant in the preceding year, provided that the applicable grant
16 recipient from the preceding year complies with all conditions of
17 the grant as described by Subsection (g).

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

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

26 (2) satisfy any other conditions of the grant imposed
27 by the board.

1 (h) The board shall use money forfeited under Subsection (g)
2 to award grants to other eligible applicants. With respect to the
3 physician residency program forfeiting the grant, the board may
4 restore grant money or award additional grants, as applicable, to
5 the program as soon as practicable after the program satisfies all
6 conditions of the grant.

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

9 (1) administrative provisions governing:

10 (A) eligibility criteria for grant applicants;

11 (B) grant application procedures;

12 (C) guidelines relating to grant amounts;

13 (D) guidelines relating to the number of grants
14 to be awarded each year, subject to available funds;

15 (E) procedures for evaluating grant
16 applications; and

17 (F) procedures for monitoring the use of grants;

18 (2) methods for tracking the effectiveness of grants;
19 and

20 (3) any conditions relating to the receipt and use of a
21 grant as considered appropriate by the board.

22 (j) Not later than January 1 of each year, the board shall
23 prepare and submit to the governor, the lieutenant governor, the
24 speaker of the house of representatives, the standing committees of
25 the senate and house of representatives with responsibility for
26 oversight of health and human services issues, and the Legislative
27 Budget Board a report that:

1 (1) specifies each of the following with respect to
2 the preceding program year:

3 (A) the number of grants awarded under the
4 program;

5 (B) the amount of each grant awarded under the
6 program;

7 (C) the number of residency positions created
8 with the support of grant money;

9 (D) the medical specialty of the residency
10 positions created; and

11 (E) whether physicians who complete their
12 training through residency positions created under the program
13 choose to practice in this state and which medical specialties they
14 choose for their practices; and

15 (2) makes appropriate recommendations for legislative
16 changes as necessary.

17 SECTION 4. Section 61.532, Education Code, is amended to
18 read as follows:

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

21 (1) apply to the coordinating board;

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

24 (3) have completed one, two, three, or four
25 consecutive years of practice;

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

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

4 (4) provide health care services to:

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

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

9 (C) persons committed to a secure correctional
10 facility operated by or under contract with the Texas Juvenile
11 Justice Department [~~Youth Commission~~] or persons confined in a
12 secure correctional facility operated by or under contract with any
13 division of the Texas Department of Criminal Justice.

14 (b) A physician may complete one or more years of practice
15 required by Subsection (a)(3) in a location other than a health
16 professional shortage area designated by the Department of State
17 Health Services if, during the applicable year or years, the
18 physician provides health care services to a designated number of
19 patients who are recipients under the medical assistance program
20 authorized by Chapter 32, Human Resources Code, or the Texas
21 Women's Health Program according to criteria established by the
22 board in consultation with the Health and Human Services
23 Commission. The Health and Human Services Commission shall verify
24 a physician's compliance with this subsection, and the board and
25 the commission shall enter into a memorandum of understanding for
26 that purpose.

27 (c) The board annually shall solicit and collect

1 information regarding the specific number of patients described by
2 Subsection (a)(4)(A) who are treated by each physician receiving
3 loan repayment assistance under this subchapter.

4 SECTION 5. Section 61.5391, Education Code, is amended by
5 amending Subsection (a) and adding Subsection (c) to read as
6 follows:

7 (a) The physician education loan repayment program account
8 is an account in the general revenue fund. The account is composed
9 of:

- 10 (1) gifts and grants contributed to the account;
11 (2) earnings on the principal of the account; and
12 (3) other amounts deposited to the credit of the
13 account, including:

14 (A) money deposited under Section 61.539(b) or
15 61.5392;

16 (B) legislative appropriations; and

17 (C) money deposited under Section 155.2415, Tax
18 Code.

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

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

25 Sec. 61.5392. FEDERAL MATCHING FUNDS. (a) For the
26 purposes of this subchapter, the Health and Human Services
27 Commission shall seek any federal matching funds that are available

1 for the purposes of this section.

2 (b) Any amount received under Subsection (a) shall be
3 transferred to the comptroller to be deposited in the physician
4 education loan repayment program account established under Section
5 61.5391. Section 403.095, Government Code, does not apply to any
6 amount deposited under this section.

7 SECTION 7. Sections 61.07622 and 61.088, Education Code,
8 are repealed.

9 SECTION 8. (a) As soon as practicable after the effective
10 date of this Act, the Texas Higher Education Coordinating Board
11 shall adopt rules for the implementation and administration of the
12 programs established under Chapter 58A, Education Code, as added by
13 this Act. The coordinating board may adopt the initial rules in the
14 manner provided by law for emergency rules.

15 (b) Not later than October 1, 2013, the Texas Higher
16 Education Coordinating Board and the Health and Human Services
17 Commission shall enter into the memorandum of understanding
18 required by Section 61.532(b), Education Code, as added by this
19 Act. As soon as practicable after the date of the memorandum, the
20 coordinating board shall begin awarding loan repayment assistance
21 to physicians who establish eligibility under that subsection.

22 SECTION 9. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 2550 was passed by the House on May 2, 2013, by the following vote: Yeas 142, Nays 5, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2550 on May 24, 2013, by the following vote: Yeas 124, Nays 17, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2550 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor