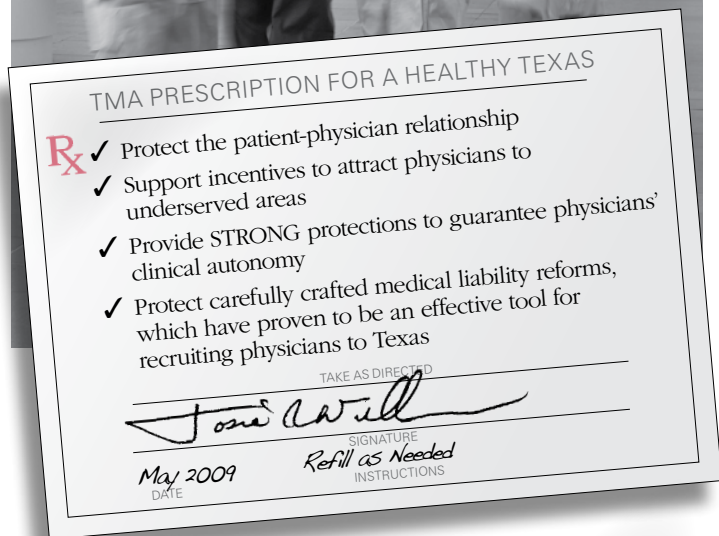


Physicians Put Patients First



Central to the patient-physician relationship is the trust that the physician exercises independent medical judgment. A physician's duty to his or her patient supersedes all.

Guaranteeing physicians' clinical autonomy is at the heart of the doctrine prohibiting the corporate practice of medicine. It is a simple principle. Only physicians are licensed by Texas to provide medical services. While a number of exceptions for physician employment exist — by medical schools, other physicians, physician group practices, and nonprofit health care corporations (501[a] corporations) — each of these exceptions has other physicians supervising the work of physicians.

More than 20 local bills were filed this session by small hospital districts seeking to directly employ physicians as a way to recruit and retain physicians in their communities. And, for the first time, physicians from many of these communities support the measures. In addition, SB 1500 has been introduced as a broad proposal to employ physicians in rural Texas, encompassing these local bills and establishing a new corporate practice of medicine policy for Texas.

PATIENT AND PHYSICIAN PLATFORM

TMA Strongly Supports:

- **SB 2243** by Sen. Judith Zaffirini (D-Laredo) to provide student loan forgiveness up to \$140,000 over a four-year period for a physician who agrees to practice in a medically underserved area of the state. Preference will be given to primary care physicians.

Strong Amendments Needed:

- **SB 1500** by Sen. Robert Duncan (R-Lubbock), which proposes to allow hospitals in rural Texas to employ physicians directly. However, TMA believes the bill is too broad in its application and far too limited in its protections for physicians' clinical autonomy on behalf of their patients.

The bill would allow a hospital to employ physicians if it is designated as a critical-access hospital, if it is the sole community hospital, or if it is located in a county with a population of 50,000 or less. The hospital may retain all or part of the professional income generated by the physician and subsidize the salary for medical services provided at the hospital.

Protecting the patient-physician relationship is of utmost importance to TMA and Texas physicians. That means ensuring strong protections are included as the bill moves from the Senate and through the House Public Health Committee.

Medicine's Messages

- The patient-physician relationship is at the heart of the practice of medicine. Maintaining the physician's independent clinical judgment is critical to this relationship.
- The issue is not employment. The issue is protecting patients and ensuring physicians can make independent clinical decisions free from interference by nonphysician employers.
- Ninety-one percent of physicians agree that protection of physician independence is necessary to protect patients.
- Attracting physicians to rural and medically underserved parts of Texas is an ongoing challenge.
- There are several exceptions to Texas' prohibition on the corporate practice of medicine — medical schools, nonprofit 501(a) organizations, physician group practices — but under all of those exceptions, physicians are ultimately responsible for the practice of medicine.
- Allowing direct employment of physicians by hospitals — and then, only the smallest hospitals in the state's most underserved areas — should be allowed only with strong protections to guarantee the physicians' clinical autonomy on behalf of their patients.
- Direct employment — with proper protections — must not undermine our very effective medical liability reforms. The reforms were built on the presumption that physicians and hospitals would have separate liability to injured patients.



Physicians Caring for Texans