



TEXAS HOSPITAL ASSOCIATION



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Hospital Associations Applaud Signing of Physician Employment Legislation (Senate Bill 894)

(AUSTIN) – The Texas Organization of Rural & Community Hospitals and the Texas Hospital Association are celebrating the signing of Senate Bill 894, which gives hospitals in counties with populations of 50,000 or less or sole community or critical access providers the option to directly employ physicians.

Texas Gov. Rick Perry signed the bill into law on May 12 and it is effective immediately. Until the passage of this legislation, Texas was one of a few states that prohibited the employment of physicians by hospitals. This made it particularly difficult for rural hospitals to attract and retain physicians in underserved areas of the state.

“This is a game-changer for rural communities in Texas,” said David Pearson, M.P.A., FACHE, PMP, president/chief executive officer of TORCH. “This bill will greatly increase access to physicians and ensure that rural Texans receive the quality health care they deserve.”

The measure was sponsored by Sen. Robert Duncan (R-Lubbock). Rep. Garnet Coleman (D-Houston) filed a companion bill and sponsored Duncan’s legislation in the Texas House.

“I’m proud of having worked with Sen. Duncan on making this important legislation law,” Coleman said in an email to constituents. “This is a major shift in state policy. Doctors will have the choice between hanging up their own shingle or working directly for a hospital.”

THA President/Chief Executive Officer Dan Stultz, M.D., FACP, FACHE, noted that the legislation is the culmination of several years of work by many stakeholders. “We know that many younger physicians entering practice today want the security and benefits of an employment situation. That option is now a reality thanks to the support of hospital and physician groups and our legislative sponsors,” Stultz said.

The full text of the bill is available [here](#).

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About the Texas Organization of Rural & Community Hospitals

The Texas Organization of Rural & Community Hospitals was created in 1990 to give rural health care a larger voice. Today, TORCH is recognized both in Texas and nationally as an effective advocate for rural hospitals, and credited with helping to shape vital legislation on behalf of its members, as well as providing for their ongoing needs in education, management development and support services. Learn more about TORCH at www.torchnet.org or follow TORCH on Twitter at www.twitter.com/torchnet.

About the Texas Hospital Association

Founded in 1930, the Texas Hospital Association is the leadership organization and principal advocate for the state’s hospitals and health care systems. Based in Austin, THA enhances its members’ abilities to improve accessibility, quality and cost-effectiveness of health care for all Texans. One of the largest hospital associations in the country, THA represents more than 85 percent of the state’s acute-care hospitals and health care systems, which employ some 365,000 health care professionals statewide. Learn more about THA at www.tha.org or follow THA on Twitter at <http://twitter.com/texashospitals>.