

EDUCATION CODE

TITLE 3. HIGHER EDUCATION

SUBTITLE A. HIGHER EDUCATION IN GENERAL

CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 58A.001. DEFINITIONS. In this chapter:

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

(2) "Center" means the comprehensive health professions resource center established under Chapter 105, Health and Safety Code.

(3) "Community-based, ambulatory patient care center" includes:

(A) a federally qualified health center, as defined by Section 1905(1)(2)(B), Social Security Act (42 U.S.C. Section 1396d(1)(2)(B));

(B) a community mental health center, as defined by Section 1861(ff)(3)(B), Social Security Act (42 U.S.C. Section 1395x(ff)(3)(B));

(C) a rural health clinic, as defined by Section 1861(aa)(2), Social Security Act (42 U.S.C. Section 1395x(aa)(2)); and

(D) a teaching health center, as defined by 42 U.S.C. Section 2931-1(f)(3)(A).

(4) "First-year residency position" means a residency position offering first year training in a graduate medical education program.

(5) "Graduate medical education program" means a nationally accredited post-doctor of medicine (M.D.) or post-doctor of osteopathic medicine (D.O.) program that prepares physicians for the independent practice of medicine in a specific specialty area.

(6) "Hospital" means:

(A) a facility licensed as a hospital under Chapter 241, Health and Safety Code, or as a mental hospital under

Chapter 577, Health and Safety Code; or

(B) a similar facility owned or operated by this state or an agency of this state.

(7) "Medical school" means a public or independent educational institution that awards a doctor of medicine (M.D.) or doctor of osteopathic medicine (D.O.) degree.

(8) "Sponsoring institution" means the entity that assumes the ultimate financial or academic responsibility for a graduate medical education program.

(9) "Teaching hospital" means a hospital that:

(A) is formally affiliated with a medical school for purposes of providing a graduate medical education program; or

(B) serves as the sponsoring institution for a graduate medical education program.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 1, eff. September 1, 2015.

Sec. 58A.002. PERMANENT FUND SUPPORTING GRADUATE MEDICAL EDUCATION. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The permanent fund supporting graduate medical education is a special fund in the treasury outside the general revenue fund. The fund is composed of:

(1) money transferred or appropriated to the fund by the legislature;

(2) gifts and grants contributed to the fund; and

(3) the returns received from investment of money in the fund.

(c) The trust company shall administer the fund. The trust company shall determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Expenses of managing

the fund's assets shall be paid from the fund. Except as provided by this section, money in the fund may not be used for any purpose. Sections 403.095 and 404.071, Government Code, do not apply to the fund.

(d) In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The amount available for distribution from the fund may be appropriated only:

(1) to the board to fund the programs created under this chapter; or

(2) as otherwise directed by the legislature.

(f) A public or private institution of higher education or other entity that may receive money under a program described by Subsection (e) may solicit and accept gifts and grants to be deposited to the credit of the fund. A gift or grant to the fund must be distributed and appropriated for the purposes of the fund, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

Added by Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 2, eff. September 1, 2015.

Sec. 58A.003. REDUCTION IN FUNDING. (a) The board shall limit or withhold funding from any grant recipient under this chapter that does not comply with reporting requirements or that uses grant funds for a purpose not authorized by this chapter for the grant awarded.

(b) The board shall seek reimbursement with respect to any grant funds that are not used for purposes authorized by this chapter for the grant awarded.

Added by Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 2, eff.

September 1, 2015.

SUBCHAPTER B. GRADUATE MEDICAL EDUCATION
RESIDENCY EXPANSION

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

Sec. 58A.022. GRADUATE MEDICAL EDUCATION PLANNING AND PARTNERSHIP GRANTS. (a) The board shall award one-time graduate medical education planning and partnership grants to hospitals, medical schools, and community-based, ambulatory patient care centers located in this state that seek to develop new graduate medical education programs with first-year residency positions, regardless of whether the grant recipient currently offers or has previously offered a graduate medical education program with first-year residency positions.

(b) The board shall award graduate medical education planning and partnership grants on a competitive basis according to criteria adopted by the board. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation. A grant received under this section must be used for the purpose of planning a new graduate medical education program with first-year residency positions.

(c) A hospital, medical school, or community-based, ambulatory patient care center that is awarded a graduate medical education planning and partnership grant and that establishes new first-year residency positions after receipt of the grant is eligible to apply for additional funds under Section 58A.024 for each such position established, as provided by appropriation.

(d) A hospital, medical school, or community-based, ambulatory patient care center may partner with an existing graduate medical education program or sponsoring institution for

purposes of planning a new graduate medical education program using grant funds awarded under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 3, eff. September 1, 2015.

Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS.

(a) The board shall award grants to graduate medical education programs to enable those programs to fill first-year residency positions that are accredited but unfilled as of July 1, 2013. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant received under this section must be expended to support:

- (1) resident stipends and benefits; and
- (2) other direct resident costs to the program.

(c) A grant application must include proof of the accredited but unfilled positions to which the application applies.

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

(e) Grant amounts are awarded under this section for the duration of the period in which the resident who initially fills the residency position continues to hold that position.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 4, eff. September 1, 2015.

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

(a) The board shall award grants to enable new or existing graduate medical education programs to increase the number of first-year residency positions. The board shall determine the

number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant application must include a plan for receiving accreditation for the increased number of positions or for the new program, as applicable.

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

(d) Grant amounts are awarded under this section for the duration of the period in which the resident who initially fills the residency position continues to hold that position.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 5, eff. September 1, 2015.

Sec. 58A.0245. CRITICAL SHORTAGE LEVELS. (a) If the board determines that the number of first-year residency positions proposed by eligible applicants under Sections 58A.023 and 58A.024 exceeds the number of first-year residency positions for which grant funding under those sections is appropriated, in awarding grants under those sections the board shall prioritize the awarding of new grants to medical specialties determined by the board to be at critical shortage levels.

(b) In determining critical shortage levels under this section, the board shall consider:

(1) the available results of research conducted by the center under Section 105.009, Health and Safety Code;

(2) other relevant research and criteria, including research and criteria related to the designation of health professional shortage areas; and

(3) research performed by other appropriate entities.

Added by Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 6, eff. September 1, 2015.

Sec. 58A.0246. CONTINUATION OF GRANTS AWARDED FOR 2015

STATE FISCAL YEAR. The board shall award additional grants to fund eligible graduate medical education programs that, for the state fiscal year ending on August 31, 2015, received a grant awarded under Section 58A.023 or 58A.024 or under Section 61.511, as that section existed immediately before September 1, 2015, if those programs continue to meet the applicable grant requirements that existed at the time of the initial award.

Added by Acts 2015, 84th Leg., R.S., Ch. 321 (S.B. 18), Sec. 6, eff. September 1, 2015.

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

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

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

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

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

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

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

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

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

- (A) eligibility criteria for medical schools;
 - (B) grant application procedures;
 - (C) guidelines relating to grant amounts;
 - (D) procedures for evaluating grant applications; and
 - (E) procedures for monitoring the use of grants;
- and

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

- (A) using data reasonably available to the board, consider relevant information regarding the career paths of medical school graduates during the four-year period following their graduation; and
- (B) evaluate whether and for how long those

graduates work in primary care in this state.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

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

Added by Acts 2013, 83rd Leg., R.S., Ch. 1015 (H.B. 2550), Sec. 2, eff. September 1, 2013.

SUBCHAPTER E. RURAL RESIDENT PHYSICIAN GRANT PROGRAM

Sec. 58A.081. RURAL RESIDENT PHYSICIAN GRANT PROGRAM.

(a) The board shall administer the Rural Resident Physician Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions in rural and nonmetropolitan areas, with particular emphasis on the creation of rural training tracks. The board shall award grants to new or expanded physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under this section.

(b) The board shall establish criteria for the grant program in consultation with one or more physicians, including a physician who practices in a rural area of this state, teaching hospitals, medical schools, and independent physician residency programs, and with other persons considered appropriate by the board. The program criteria must take into account whether a rural or nonmetropolitan area has the resources sufficient to support a physician residency program in a manner that would satisfy applicable residency program accreditation requirements.

(c) The board may provide grants only to support a physician residency program:

(1) that provides the level of medical care that is most needed in a rural or nonmetropolitan area; and

(2) until the program becomes eligible for federal grant funding.

(d) Grant funds awarded under this section may be used only to pay direct costs associated with creating or maintaining a residency position, including the salary of the resident physician.

(e) Each grant application must:

(1) specify the number of residency positions expected to be created or maintained with the grant money;

(2) specify the grant amount requested for each year;

(3) include documentation of infrastructure and staffing to satisfy applicable residency program accreditation requirements;

(4) include documentation that the residency program will set a primary goal of producing physicians who are prepared for practice in a rural area; and

(5) include evidence of support for residency training by sponsoring institutions and the community.

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

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

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

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

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

conditions of the grant.

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

- (1) administrative provisions governing:
 - (A) eligibility criteria for grant applicants;
 - (B) grant application procedures;
 - (C) guidelines relating to grant amounts;
 - (D) guidelines relating to the number of grants to be awarded each year, subject to available funds;
 - (E) procedures for evaluating grant applications;
 - (F) procedures for monitoring the use of grants;
- and
- (G) reporting requirements for grant recipients;
- (2) methods for tracking the effectiveness of grants;
- and
- (3) any conditions relating to the receipt and use of a grant as considered appropriate by the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 754 (H.B. [1065](#)), Sec. 1, eff. June 10, 2019.