

BILL ANALYSIS

S.B. 2666

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AUTHOR’S /SPONSOR’S STATEMENT

Physician care is essential to the well-being of individuals and the health of entire communities. From preventing disease and managing chronic conditions to responding to emergencies and supporting public health, physicians play a vital role in promoting health equity, strengthening healthcare systems, and contributing to social and economic stability. Without access to physician care, communities are more vulnerable to illness, disparities, and avoidable health crises.

Primary care physicians are the backbone of community health systems. They not only provide essential medical services but also create a more efficient, cost-effective, and accessible healthcare system. Without them, communities face higher healthcare costs, increased chronic disease rates, and greater disparities in medical care access. Strengthening primary care is key to a healthier, more resilient society.

Specialty physicians play a crucial role in ensuring communities receive high-quality, specialized medical care. While primary care physicians provide a broad range of services, specialists are necessary for diagnosing and treating complex health conditions that require advanced expertise. Their presence in a healthcare system reduces mortality, enhances treatment precision, and ultimately improves overall public health. Communities need a balanced healthcare workforce that includes both primary care and specialty physicians to provide comprehensive and effective medical care.

A recent physician needs assessment for Nueces County projects widespread physician shortages by 2030, especially in primary care specialties like family medicine, internal medicine, and OB/GYN. Significant gaps are also expected in sub-specialties such as dermatology, neurology, and psychiatry. These shortages pose serious risks to timely, quality care.

Nueces County serves as a regional referral hub for two adjacent rural counties and five additional second-ring rural counties, each with populations of 68,750 or fewer. This makes its medical workforce critical not only for local residents but for the broader region. Limited access to specialty care in these surrounding rural areas heightens their reliance on the providers based in Nueces County. Addressing the projected physician shortages is essential to improving healthcare access, advancing health equity, and ensuring better outcomes across South Texas.

S.B. 2666 aims to help address the projected physician shortage by authorizing the Nueces County Hospital District to use funds from any available source to support a grant program focused on physician recruitment and retention, as well as the expansion of residency positions at hospitals within the district.

As proposed, S.B. 2666 amends current law to require the Nueces County Hospital District board to use funds from any source to administer a grant program supporting hospitals within the district. The program would provide funding to: (1) retain physicians currently practicing at those hospitals; (2) recruit physicians in specialties with limited access in the district to practice at those hospitals; and (3) increase the number of residency positions at hospitals in the district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 281.094(b), Texas Health and Safety Code, by adding 281.094(b)(3) as follows:

(c) The board of the Nueces County Hospital District may use funds made available to the district from any source to fund the grant program established under Section 281.0941.

SECTION 2. Amends Subchapter E, Chapter 281, Health and Safety Code, by adding Section 281.0941 as follows:

Sec. 281.0941. NUECES COUNTY HOSPITAL DISTRICT GRANT PROGRAM.

(a) The board of the Nueces County Hospital District shall establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to:

(1) allow hospitals in the district to:

- (A) retain physicians currently practicing at those hospitals; and
- (B) recruit physicians who practice medicine in a specialty for which there is limited access in the hospital district to practice at those hospitals; and

(2) increase the number of residency positions at hospitals in the district.

(b) The board of the hospital district shall:

- (1) prescribe the manner in which a hospital in the district may apply for a grant under this section;
- (2) establish eligibility and selection criteria for a hospital to be awarded a grant under this section; and
- (3) establish accountability controls for hospitals awarded a grant under this section to ensure:

- (A) the grant is used in a manner that is consistent with the public purpose of providing medical and hospital care for the indigent residents of the district; and
- (B) the district receives a benefit in return for the award of the grant.

SECTION 3. Effective date: September 1, 2025.