

Texas Update – June 2009

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Governor Perry Signs HB 2154 Into Law!

On June 16, 2009, Governor Perry officially signed TACHC's historic physician loan repayment legislation into law. The Texas House approved House Bill 2154 by Rep. Al Edwards, D-Houston, by an overwhelming 122-21 margin late on the last Friday of the session, after the Senate had approved it 29-2 three days before. The bill was sponsored in the Senate by Sen. Juan "Chuy" Hinojosa, D-McAllen. Throughout the session, the bill was opposed by a powerful group of tobacco lobbyists because funding for the new program will be generated by closing a loophole in the application of excise taxes on smokeless tobacco products. The change will raise an estimated \$105 million over the next biennium. Approximately \$22 million of that will go to fund the new loan repayment program, which will provide up to \$160,000 for primary care physicians who agree to practice for four years in health professional shortage areas. The bill should bring as many as 225 physicians to health professional shortage areas each year. This means that in four years when the program is operating at full capacity, Texas will have 900 new physicians serving communities in need. Much of the remaining revenue generated by the change in the excise tax on smokeless tobacco will be used to provide tax relief to small businesses. Currently, businesses earning revenue in excess of \$300,000 a year must pay a state franchise tax, but funds generated by H.B. 2154 allow the exemption to be raised to \$1 million.

Administration of the new program will be the responsibility of the Texas Higher Education Coordinating Board. TACHC will be participating in the rules setting process for this new program. The loan repayment program created by HB 2154 is now one of several programs available to health providers practicing in shortage areas, including the Children's Medicaid loan repayment program and enhanced funding for the National Health Services Corps. Stay tuned for detailed loan repayment information from TACHC that you can use in your provider recruitment efforts. Also keep an eye out for a comprehensive legislative summary from TACHC coming soon.

Thank your legislators!

Be sure to thank your state House and Senate representatives to thank them for their support this session. Calls to their Capitol or District offices would be much appreciated. You can find House member contact information [here](#) and Senate contact information [here](#).

Governor Perry Calls Special Session to Begin July 1

The 2009 Texas Legislature has ended, and Austin has turned to the upcoming special session Governor Perry has called to begin at 10:00 am on July 1. Governor Perry has said, and reports indicate that House and Senate members agree that the special session will be short – potentially ending as early as the July 4 holiday weekend. According to the official call, Governor Perry will allow only limited topics to be considered including a safety net bill to extend the life of key government agencies set to expire, authorization for the Texas Transportation Commission to issue general obligation bonds for highway improvement projects and other transportation projects, and other transportation development agreements. Despite calls from advocacy groups, Governor Perry has indicated he will not add the CHIP Buy-In bill to the call for this special session likely leaving children’s health coverage improvements until the next regular session in 2011.

Time to Get Ready for National Health Center Week – August 10-14!

National Health Center Week (NHCW) is less than 45 days away! This year's celebration continues to build, and will be particularly important in Texas this year as we use this opportunity to thank our state lawmakers for an extremely successful legislative session. National Health Center Week is the perfect time to invite your lawmakers to your health center and build on the positive relationships many of you build this spring, so if you haven’t invited your Federal or State Representative to visit you, do it now! Also, be on the lookout for news from TACHC about NHCW appreciation efforts for key state lawmakers.

Don’t forget the NHCW website: www.healthcenterweek.org. The website has updated materials available for download including sample press materials, event planning ideas, and Health Center fact sheets. Also, **be sure to post your events online by clicking [HERE](#).**

Please forward this update and ask your friends to [JOIN US](#) as health center advocates!