

CHAPTER 476

H.B. No. 935

AN ACT

relating to records and proceedings of a committee of a health maintenance organization and to information furnished to that committee.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 3, Chapter 372, Acts of the 58th Legislature, 1963 (Article 4447d, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3. The records and proceedings of any committee or joint committee of a hospital, medical organization, university medical school, university health science center, *health maintenance organization licensed under the Texas Health Maintenance Organization Act (Article 20A.01 et seq., Vernon's Texas Insurance Code), including without limitation an independent practice association or other physician association whose committee or joint committee is a condition of contract with such health maintenance organization*, or extended care facility, whether appointed on an ad hoc basis to conduct a specific investigation or established under state or federal law or regulations or under the by-laws, rules or regulations of such organization or institution, shall be confidential and shall be used by such committee and the members thereof only in the exercise of the proper functions of the committee and shall not be public records and shall not be available for court subpoena; provided, however, that nothing herein shall apply to records made or maintained in the regular course of business by a hospital, *health maintenance organization*, or extended care facility. No physician, hospital, medical organization, university health science center, university medical school, or any officer or employee thereof, *or health maintenance organization or any officer, employee, or agent thereof, including without limitation an independent practice association or other physician association contracting with such health maintenance organization* furnishing information, data, reports, or records to any such committee with respect to any patient examined or treated by such physician or treated or confined in any such hospital, or any clinic or facility staffed or operated by a university health science center or university medical school, *or any hospital, clinic, or facility staffed, operated, or used by a health maintenance organization*, shall, by reason of furnishing such information, be liable in damages to any person. No member of such a committee shall be liable in damages to any person for any action taken or recommendation made within the scope of the functions of such committee if such committee member acts without malice and in the reasonable belief that such action or recommendation is warranted by

*the facts known to him. Nothing herein shall be construed to apply this section to any function of a health maintenance organization other than medical peer review and quality assurance conducted under the provisions of the Texas Health Maintenance Organization Act (Section 20A.01 et seq., Vernon's Texas Insurance Code), the rules adopted thereunder, and other applicable state and federal statutes and rules.*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 30, 1987, by the following vote: Yeas 142, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 935 on May 26, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 21, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 17, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.