

Ensure Physicians and Patients Determine Care: Uphold Texas' Corporate Practice of Medicine Ban



Texas is among a few states that prohibit the corporate practice of medicine, ensuring physicians can exercise professional medical judgment about a patient's health care without financial or other outside pressures. This law is foundational to effective health care and the ability to meet patients' needs by keeping nonphysicians or corporate entities out of the practice of medicine. Even as business environments change, with some corporate entities owning the business operations of physician practices and

Current enforcement of the corporate practice of medicine doctrine relies on the state's Medical Practice Act, the Texas Medical Board's administrative rules, and precedent established in early relevant court cases. Provisions relating to the corporate practice of medicine also are found in the Texas Occupations Code. Preserving these enforcement mechanisms is critical to preserving the patient-physician relationship.

PRACTICE TYPES IN TEXAS

34% Private Practice

66% Employed

38% hospital/health system
28% other corporate

Source: Physicians Advocacy Institute, January 2021

employing physicians as contractors, physicians and their patients should be the only ones to determine the best care, without outside interference.

In early court challenges to Texas' ban, courts held that allowing a corporation to employ a physician has the potential to commercialize the practice of medicine and destroy the patient-physician relationship. Such early cases made it clear that physicians could not be employees of corporate entities.

TMA's Legislative Recommendations

- Protect physician autonomy amid an increase in physician employment and large non-physician-owned group environments.
- Reinforce that hospitals and insurance corporations must not direct care.
- Protect physicians from being criminalized for the practice of medicine.
- Keep government out of the patient-physician relationship.



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