

Amendment No. _____

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

Signature of Sponsor

AMEND Senate Bill No. 764*

House Bill No. 979

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 63-6-204, is amended by deleting subdivisions (f)(1), (f)(4), (f)(6), and (f)(7) and substituting:

(f)

(1)

(A) Notwithstanding this section, a hospital licensed under title 68, chapter 11, or title 33, chapter 2, or an affiliate of a hospital, may employ licensed physicians to provide medical services in:

(i) A hospital located in a county with a population of one hundred five thousand (105,000) or less, according to the 2020 federal census;

(ii) A hospital located in a county with a population of more than one hundred five thousand (105,000), according to the 2020 federal census, if such licensed physicians are other than radiologists, anesthesiologists, pathologists, or emergency physicians; or

(iii) A hospital if such hospital is a children's hospital; provided, that any radiologists, anesthesiologists, pathologists, or emergency physicians employed by such children's hospital are board certified or board eligible.



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(B) A hospital, as described in subdivision (f)(1)(A), may employ licensed physicians to provide medical services subject to the following conditions:

- (i) An employing entity shall not restrict or interfere with medically appropriate diagnostic or treatment decisions;
- (ii) An employing entity shall not restrict or interfere with physician referral decisions unless:
 - (a) The physician so employed has agreed in writing to the specific restrictions at the time that the contract is executed;
 - (b) The restriction does not, in the reasonable medical judgment of the physician, adversely affect the health or welfare of the patient; and
 - (c) The employing entity discloses any such restrictions to the patient; and
- (iii) In the event that there is any dispute relating to subdivision (f)(1)(B)(i) or (ii), the employing entity has the burden of proof.

(4) In any event, this section does not prohibit any of the following from employing physicians:

- (A) A licensed physician; or
- (B) A group of licensed physicians, including either of the following:
 - (i) A physicians' professional corporation registered under title 48, chapter 101; or
 - (ii) A domestic nonprofit public benefit corporation;

(a) That is recognized as exempt under § 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)), or any successor section;

(b) A purpose of which is to engage in medical education and medical research in conjunction with a college or university operating an accredited medical school in this state; and

(c) Whose physician-employees practice through a faculty practice plan for purposes of Title XVIII of the federal Social Security Act (42 U.S.C., Chapter 7, subchapter XVIII), and related promulgated regulations, or any wholly owned subsidiary of the foregoing 501(c)(3) institution.

(6)

(A) Except as set forth in subdivision (f)(1) or in § 68-11-205(b), a radiologist, anesthesiologist, pathologist, or emergency physician shall not be employed by a hospital or an affiliate of a hospital, and a hospital or an affiliate of a hospital shall not employ any physician to provide medical services provided by radiologists, anesthesiologists, pathologists, or emergency physicians; provided, that a physician may be employed to provide emergency medical services if such physician is employed to provide other medical services.

(B) Notwithstanding subdivisions (f)(1) and (f)(6)(A), a research hospital may employ radiologists, anesthesiologists, or pathologists under the same terms and conditions as other physicians.

(C) Hospitals that employ anesthesiologists shall, to the extent applicable, ensure that an anesthesiologist is able to comply with

medicare conditions for payment for medically directed or personally performed anesthesia services. This section does not prohibit a hospital from using other medicare conditions of payment.

(7) As used in this section, unless the context otherwise requires:

(A) "Affiliate" of a hospital:

(i) Means an entity that directly or indirectly is controlled by, or is under common control with, a hospital licensed under title 68, chapter 11 or title 33, chapter 2; and

(ii) Does not include a health maintenance organization licensed under the Health Maintenance Organization Act of 1986 compiled in title 56, chapter 32;

(B) "Anesthesiologist" means a physician who has completed a residency in anesthesiology and whose practice is primarily limited to anesthesiology, including nerve block, pain management, cardiac and respiratory resuscitation, respiratory therapy, management of fluids, electrolyte and metabolic disturbances, or a dentist licensed in this state who completed a residency program in anesthesiology at an accredited medical school in years 1963 through 1977;

(C) "Board certified" or "board eligible" means a physician who is board certified in the applicable medical specialty by the American Board of Medical Specialists or a comparable board or a physician who has completed an approved residency but has not yet completed the exam given by one (1) of the recognized boards;

(D) "Children's hospital" means a free-standing hospital that serves primarily children seventeen (17) years of age or younger with a separate emergency department staffed and equipped to provide emergency services to pediatric patients;

(E) "Emergency physician":

(i) Means a physician who has either completed a residency in emergency medicine, or practiced emergency medicine full time for a three-year period, and whose practice is limited to emergency medicine; and

(ii) Does not include a physician who has been previously employed to provide nonemergent medical services who, over a period of twelve (12) months or more, becomes a full-time emergency physician and who remains employed by mutual agreement;

(F) "Employing entity":

(i) Means a hospital licensed under title 68, chapter 11, or title 33, chapter 2, or an affiliate of such an entity, that employs one (1) or more physicians; and

(ii) Does not include a health maintenance organization licensed under the Health Maintenance Organization Act of 1986 compiled in title 56, chapter 32;

(G) "Pathologist" means a physician who has completed a residency in pathology and whose practice is primarily limited to pathology, including, without limitation, anatomic and clinical pathology;

(H) "Physician" means a person licensed pursuant to chapter 6 or 9 of this title;

(I) "Psychiatrist" means a physician who has completed a residency in psychiatry and whose practice is primarily limited to psychiatry;

(J) "Radiologist" means a physician who has completed a residency in radiology and whose practice is primarily limited to radiology,

including diagnostic radiology, radiation therapy, and radiation oncology;
and

(K) "Research hospital" means a hospital at which fifty percent (50%) or more of the inpatients treated during the previous calendar year were treated pursuant to research protocols.

SECTION 2. Tennessee Code Annotated, Section 63-9-104(f)(3), is amended by deleting the subdivision and substituting:

(3) For the purposes of this section, the term "employing" does not allow the employing of osteopathic physicians with the same specialties as those physicians exempted in § 63-6-204(e)(2)(B) except as permitted by § 63-6-204(f)(4).

SECTION 3. Tennessee Code Annotated, Title 63, is amended by adding the following as a new chapter:

63-21-101. Chapter definitions.

As used in this chapter:

(1) "Anesthesiologist" means a physician who is licensed pursuant to chapter 6 or 9 of this title and who has completed a residency in anesthesiology approved by the American Board of Anesthesiology or the American Osteopathic Board of Anesthesiology, or equivalent training in anesthesiology;

(2) "Anesthesiologist assistant" means a person who meets the requirements of § 63-21-103 and is board-approved to assist in the practice of medicine under delegation of an anesthesiologist;

(3) "Assists" means, in regard to an anesthesiologist assistant, that the anesthesiologist assistant personally performs those duties and responsibilities delegated by the anesthesiologist;

(4) "Board" means the board of medical examiners established by chapter 6, part 1 of this title;

(5) "Certification examination" means the initial certifying examination approved by the board for the certification of anesthesiologist assistants, including the examination administered by the National Commission for the Certification of Anesthesiologist Assistants or another national anesthesiologist assistant certifying agency that has been reviewed and approved by the board; and

(6) "Supervision" means the availability of an anesthesiologist who can delegate, coordinate, direct, consult, or oversee the implementation of the anesthesiologist's intentions.

63-21-102. Boards; powers and duties.

(a) The board shall review and determine the qualifications and fitness of all persons applying for a license to practice as an anesthesiologist assistant.

(b) The board shall:

(1) Grant, deny, renew, revoke, and reinstate licenses;

(2) Set and collect fees for licensure under this chapter;

(3) Establish continuing education requirements for

anesthesiologist assistants;

(4) Investigate allegations that an anesthesiologist assistant or the supervising anesthesiologist has engaged in conduct constituting a ground for revocation;

(5) Conduct informal interviews and hearings;

(6) Take disciplinary or other administrative action, which must comply with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to enforce this chapter;

(7) Adopt rules governing the licensure and practice of anesthesiologist assistants, and such other rules as are necessary to implement and enforce this chapter; and

(8) Retain jurisdiction over only those licensees to whom temporary or full licenses are granted pursuant to this chapter, regardless of whether the license has expired or lapsed, been retired, or was relinquished during or after any alleged occurrence of conduct.

63-21-103. Licensure; unauthorized practice; use of title; duplicate license; temporary licensure; fees.

(a) A person shall not practice in this state as an anesthesiologist assistant or use the title or represent that the person is a certified anesthesiologist assistant, anesthesiologist assistant, or use the abbreviations "C.A.A." or "A.A." without having a license granted by the board pursuant to this chapter. A violation of this subsection (a) is a Class B misdemeanor, punishable by a fine of not more than one thousand dollars (\$1,000) or by a term of imprisonment for not more than one (1) year, or both. Each violation of this subsection (a) constitutes a separate offense.

(b) The board may grant an anesthesiologist assistant license to an applicant who:

(1) Graduated from an anesthesiologist assistant program accredited by the Commission on Accreditation of Allied Health Education Programs or its predecessor or successor organization;

(2) Satisfactorily completed a certification examination administered by the National Commission for the Certification of Anesthesiologist Assistants or another national certifying agency that has been reviewed and approved by the board;

(3) Completes an application form; and

(4) Pays the required application and licensure fees as prescribed by the board in rule.

(c) The board shall issue a license, other than a temporary license, pursuant to §

63-1-107.

(d) The board may reinstate a lapsed license if the applicant pays a reinstatement fee as prescribed by the board in rule and meets the requirements for initial licensure.

(e) The board may issue a temporary license to a person who:

- (1) Completes a temporary license application;
- (2) Pays the required temporary license fee as prescribed by the board in rule; and
- (3) Successfully completes a Commission on Accreditation of Allied Health Education program or another board-approved program for educating and training anesthesiologist assistants but who has not passed a certification examination. The person shall take the next available certification examination after receiving a temporary license. A temporary license must not be issued for a period of more than one (1) year and is subject to other requirements the board adopts by rule.

(f)

- (1) An anesthesiologist assistant must have a supervising agreement with a supervising anesthesiologist.
- (2) The anesthesiologist assistant shall maintain a copy of the supervising agreement either on paper or electronically at the anesthesiologist assistant's practice locations and make the supervising agreement available upon request by the board or an authorized agent of such board.

63-21-104. Scope of practice.

- (a) This section does not apply to a person who is enrolled in an anesthesiologist assistant education program approved by the board.
- (b) An anesthesiologist assistant may assist in the practice of medicine only under the supervision of an anesthesiologist. The anesthesiologist assistant may

perform only those duties and responsibilities delegated to the anesthesiologist assistant by the supervising anesthesiologist.

(c) The supervising anesthesiologist shall supervise an anesthesiologist assistant in a manner consistent with federal rules or regulations for reimbursement for anesthesia services.

(d) The supervising anesthesiologist must be immediately available to the anesthesiologist assistant who assists in the delivery of medical care such that the supervising anesthesiologist is able to intervene if needed.

(e) An anesthesiologist assistant's practice must not exceed the assistant's education and training, and the scope of practice of the supervising anesthesiologist. A medical care task assigned by the supervising anesthesiologist to the anesthesiologist assistant must not be delegated by the anesthesiologist assistant to another person.

(f)

(1) A supervising anesthesiologist shall not employ a person to practice as an anesthesiologist assistant who is not licensed pursuant to this chapter.

(2) A violation of subdivision (f)(1) is a Class B misdemeanor, punishable by a fine of not more than one thousand dollars (\$1,000) or by a term of imprisonment for not more than one (1) year, or both.

(3) Each violation of subdivision (f)(1) constitutes a separate offense.

(g) The board shall establish such other qualifications and the scope of practice as the board deems appropriate for an anesthesiologist assistant. The board is authorized to adopt rules to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

63-21-105. Board disciplinary actions.

(a) The board may refuse to renew and may revoke, suspend, or restrict a license or take other disciplinary action, including imposing conditions or restrictions on a license pursuant to this chapter and the rules adopted pursuant to this chapter.

(b) If the board determines that a person is ineligible for licensure, that application for licensure should be denied or suspended, or another action should be taken on a current license, then the board shall adopt and enter its written order and findings. If the board proposes to issue discipline on a current license, then a contested case hearing must be conducted pursuant to title 4, chapter 5, part 3.

63-21-106. Issuance of new license following revocation; requirements.

(a) The board may issue a new license to an anesthesiologist assistant whose license was previously revoked by the board if the applicant applies in writing to the board and demonstrates to the board's satisfaction that the applicant is completely rehabilitated with respect to the conduct that was the basis for the revocation. In making its decision, the board must determine:

(1) That the applicant has not engaged in conduct during the revocation period that would constitute a basis for revocation pursuant to rules adopted by the board;

(2) If a criminal conviction was a basis of the revocation, that the applicant's civil rights have been fully restored pursuant to statute or another applicable recognized judicial, gubernatorial, or presidential order;

(3) That the applicant has made restitution to an aggrieved person as ordered by a court of competent jurisdiction; and

(4) That the applicant demonstrates another standard of rehabilitation the board determines is appropriate.

(b) Except as provided in subsection (c), a person whose license was revoked shall not apply for a new license earlier than two (2) years after the date of revocation.

(c) If a license revocation was based on a conviction of a felony or an offense involving moral turpitude and that conviction has been reversed on appeal, then the board shall vacate its previous order to revoke the license, and the anesthesiologist assistant may apply for a new license after the court enters the reversal.

(d) An applicant for a new license after revocation shall comply with all initial licensure requirements prescribed by this chapter and rules adopted by the board pursuant to this chapter.

63-21-107. Authority to promulgate rules.

The department of health and the board of medical examiners are authorized to promulgate rules to effectuate this chapter. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 4. Tennessee Code Annotated, Section 63-6-101(a)(2), is amended by deleting the subdivision and substituting:

- (2) Three (3) members must be nonphysicians as follows:
 - (A) Two (2) members who are consumers of health care and who do not own or have any financial or other interest in a healthcare facility, business, school of medicine, or other allied healthcare practitioner educational program and who represent the public at large; and
 - (B) One (1) member who is an anesthesiologist assistant licensed under § 63-21-103, whose initial term begins upon the first expiration of a term of office for a nonphysician member who is serving on the board on January 1, 2026.

SECTION 5. Tennessee Code Annotated, Section 68-11-205, is amended by deleting subdivisions (b)(1), (b)(6), and (b)(9) and substituting:

- (b)
 - (1)

(A) Notwithstanding this section, a hospital licensed under this chapter or title 33, chapter 2, or an affiliate of a hospital, may employ licensed physicians to provide medical services in:

- (i) A hospital located in a county with a population of one hundred five thousand (105,000) or less, according to the 2020 federal census;
- (ii) A hospital located in a county with a population of more than one hundred five thousand (105,000), according to the 2020 federal census, if such licensed physicians are not radiologists, anesthesiologists, pathologists, or emergency physicians; or
- (iii) A hospital if such hospital is a children's hospital; provided, that any radiologists, anesthesiologists, pathologists, or emergency physicians employed by such children's hospital are board certified or board eligible, as defined in § 63-6-204(f)(7).

(B) A hospital, as described in subdivision (b)(1)(A), may employ licensed physicians to provide medical services subject to the following conditions:

- (i) An employing entity shall not restrict or interfere with medically appropriate diagnostic or treatment decisions;
- (ii) An employing entity shall not restrict or interfere with physician referral decisions unless:
 - (a) The physician so employed has agreed in writing to the specific restrictions at the time that the contract is executed;
 - (b) The restriction does not, in the reasonable medical judgment of the physician, adversely affect the health or welfare of the patient; and

(c) The employing entity discloses any such restrictions to the patient; and

(iii) In the event that there is any dispute relating to subdivision (b)(1)(B)(i) or (ii), the employing entity has the burden of proof.

(C) For purposes of this subdivision (b), "children's hospital" means a free-standing hospital that serves primarily children seventeen (17) years of age or younger with a separate emergency department staffed and equipped to provide emergency services to pediatric patients.

(6) Except as set forth in subdivision (b)(1) or in § 63-6-204(f), a radiologist, anesthesiologist, pathologist, or emergency physician shall not be employed by a hospital or an affiliate of a hospital, and a hospital or an affiliate of a hospital shall not employ any physician to provide medical services provided by radiologists, anesthesiologists, pathologists, or emergency physicians; provided, that a physician may be employed to provide emergency medical services if such physician is employed to provide other medical services.

(9)

(A) Hospitals that employ anesthesiologists shall, to the extent applicable, ensure that an anesthesiologist is able to comply with medicare conditions for payment for medically directed or personally performed anesthesia services. This section does not prohibit a hospital from using other medicare conditions of payment.

(B) Notwithstanding subdivision (b)(6), a radiologist, anesthesiologist, or pathologist may be employed by a research hospital. The radiologist, anesthesiologist, or pathologist must be employed by the research hospital under the same terms and conditions as other physicians.

SECTION 6. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 7. For purposes of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. Sections 3 and 4 take effect January 1, 2026, the public welfare requiring it. All remaining sections take effect July 1, 2025, the public welfare requiring it.