

HOUSE BILL REPORT

EHB 1552

As Passed Legislature

Title: An act relating to health care provider credentialing by health carriers.

Brief Description: Concerning health care provider credentialing by health carriers.

Sponsors: Representatives Dolan, Doglio, Fey, Senn, Appleton, Robinson, Ryu, Jinkins, Macri and Leavitt.

Brief History:

Committee Activity:

Health Care & Wellness: 1/15/20, 1/28/20 [DP].

Floor Activity:

Passed House: 2/17/20, 98-0.

Senate Amended.

Passed Senate: 3/6/20, 48-0.

House Concurred.

Passed House: 3/9/20, 96-0.

Passed Legislature.

Brief Summary of Engrossed Bill

- Prohibits health carriers from requiring a health care provider to submit credentialing information in a format other than through the database selected by the Office of the Insurance Commissioner.
- Requires health carriers to reimburse a health care provider for covered health care services provided to the carrier's enrollees during the credentialing process under certain circumstances.
- Permits hospitals, rural health clinics, and rural providers to use substitute providers in certain circumstances.
- Requires Medicaid managed care organizations (MCOs) to reimburse substitute providers that provide services to MCO beneficiaries.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass. Signed by 15 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers, Chopp, Davis, DeBolt, Harris, Maycumber, Riccelli, Robinson, Stonier, Thai and Tharinger.

Staff: Kim Weidenaar (786-7120).

Background:

Health Carrier Credentialing.

Provider credentialing is the process that insurance carriers use to ensure that a health care provider is qualified to provide care and treatment to their members. The Office of the Insurance Commissioner (OIC) is required to designate a lead organization to develop a uniform electronic process for collecting and transmitting the necessary provider-supplied data to support credentialing, admitting privileges, and other related processes. The OIC selected OneHealthPort as the lead organization, which developed the credentialing database, ProviderSource.

Health care providers are required to submit credentialing applications to ProviderSource and health carriers are required to accept and manage credentialing applications from the database. A health carrier must approve or deny a credentialing application submitted to the carrier no later than 90 days after receiving a complete application from a health care provider.

Beginning June 1, 2020, the average response time for the health carrier to make a determination regarding the approval or denial of a provider's credentialing application may not exceed 60 days. If there is a credentialing delegation arrangement between a facility that employs health care providers and a health carrier, then the single credentialing database is not required to be used and the timelines do not apply.

Medicaid Managed Care Organizations.

Medicaid is a federal-state partnership with programs established in the federal Social Security Act and implemented at the state level with federal matching funds. Federal law provides a framework for medical coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services through a network of providers. Washington's Medicaid managed care system is administered through contracts with managed care organizations (MCOs). The MCOs contract with individual health care providers, group practices, clinics, hospitals, pharmacies, and other entities to participate in their Medicaid plan's network. Persons enrolled in managed care must typically obtain services from providers who participate in the plan's network for the service to be covered.

When a non-participating provider delivers services to an enrollee covered by a state contracted MCO, the plan must pay nonparticipating providers the lowest amounts the systems pay for the same services under the systems' contracts with similar providers in the state. Nonparticipating providers must accept those rates as payment in full, in addition to

any deductibles, coinsurance, or copayments due from the patients. Enrollees are not liable to nonparticipating providers for covered services, except for amounts due for any deductibles, coinsurances, or copayments. Managed care systems must maintain networks of appropriate providers sufficient to provide adequate access to all services covered under their contracts with the state, including hospital-based services.

A locum, or locum tenens, is a person who temporarily fulfills the duties of another. In Washington, a physician may bill Medicaid under certain circumstances for services provided on a temporary basis to their patients by a substitute, or locum tenens, physician. The physician's claim must identify the substituting physician providing the temporary services.

Summary of Engrossed Bill:

Health Carrier Credentialing.

A health carrier may not require a health care provider to submit credentialing information in any format other than the database selected by the Office of the Insurance Commissioner for purposes of collecting and transmitting credentialing information.

The provision requiring the use of the credentialing database does not apply to health care entities that utilize credentialing delegation arrangements with carriers.

If a carrier approves a health care provider's credentialing application, upon completion of the credentialing process, the carrier must reimburse a health care provider for covered services provided to the carrier's enrollee under the following circumstances:

- When credentialing a new health care provider through a new provider contract, the carrier must reimburse the health care provider retroactively to the date of contract effectiveness if the credentialing process extends beyond the effective date of the new contract.
- When credentialing a provider to be added to an approved and in-use provider contract between the carrier and the health care provider or the entity for whom the health care provider is employed or engaged, the carrier must reimburse the health care provider for services beginning when the health care provider submitted a completed credentialing application to the carrier.

The health carrier must reimburse the health care provider at the contracted rate for the applicable health benefit plan that the health care provider would have been paid at the time the services were provided if the health care provider were fully credentialed by the carrier.

Substitute Providers.

Hospitals, rural health clinics, and rural providers contracted with a managed care organization (MCO) may use substitute providers to provide services, when:

- a contracted provider is absent for a limited time period for vacation, illness, disability, continuing medical education, or other short-term absence; or
- a contracted hospital, rural health clinic, or rural provider is recruiting to fill an open position.

Managed care organizations must allow for the use of substitute providers and provide payment to substitute providers. A contracted hospital, rural health clinic, or rural provider

may bill and receive payment at the contracted rate under its contract with the MCO for up to 60 days.

A substitute provider must enroll in an MCO in order to be reimbursed for services provided on behalf of a contracted provider beyond 60 days. Substitute provider enrollment in an MCO is effective on the later date of when they filed an enrollment application that was approved, or when they first began providing services. These provisions take effect immediately.

Rural providers are physicians, osteopathic physicians and surgeons, podiatric physicians and surgeons, physician assistants, osteopathic physician assistants, and advance registered nurse practitioners who are located in a rural county. Substitute providers include physicians, osteopathic physicians and surgeons, podiatric physicians and surgeons, physician assistants, osteopathic physician assistants, and advance registered nurse practitioners.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This simple bill will have a huge impact. Many health care providers' offices run on a shoestring budget and when a new physician is hired, the practice must pay that person's salary. However, the office cannot get reimbursed for care the physician is providing until they are fully credentialed, which puts the practice in a financial bind. All of the financial risk is borne by the providers who are hiring.

Credentialing is a very important process to ensure that providers are fully qualified. However, the process takes a very long time and is administratively burdensome. The process becomes even more time consuming and complicated where carriers require the use of systems outside of ProviderSource. This slow process sidelines providers that could otherwise be taking care of patients. This bill would improve this by requiring reimbursement during the credentialing process and shortening the credentialing timeline. Medicare currently retroactively pays providers; if Medicare can do it, so can all of the other insurance companies. This practical bill will help ensure the viability of small practices.

(Opposed) Credentialing is an important process to ensure that Washingtonians receive quality care. During the process, carriers must check that the providers have the necessary credentials, check disciplinary actions, and check for past crimes. This all takes time. In 2016 the Legislature agreed to pass a bill with reasonable credentialing timelines that were agreed to through a carefully negotiated process. These timelines have only been in place for a year and previously there was no timeline. These should be allowed to stand.

Persons Testifying: (In support) Representative Dolan, prime sponsor; Jeb Shepard, Washington State Medical Association; Patty Seib, Washington Academy of Family

Physicians; Lisa Thatcher, Washington State Hospital Association; Eddy Cates; Christie Mcannally, Pioneer Family Practice; and Ken Lee.

(Opposed) Christine Brewer, Association of Washington Healthcare Plans; and Mel Sorenson, America's Health Insurance Plans.

Persons Signed In To Testify But Not Testifying: None.