

# HOUSE BILL REPORT

## HB 2335

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**As Reported by House Committee On:**  
Health Care & Wellness

**Title:** An act relating to health care provider credentialing.

**Brief Description:** Addressing health care provider credentialing.

**Sponsors:** Representatives Cody, Appleton and Jinkins.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 1/13/16, 1/15/16 [DPS].

**Brief Summary of Substitute Bill**

- Requires health care providers to submit credentialing applications to a single credentialing database and health carriers to accept and manage credentialing applications from the database.
- Requires health carriers to make a determination approving or denying a credentialing application with 15 days of receipt.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cody, Chair; Riccelli, Vice Chair; Harris, Assistant Ranking Minority Member; Jinkins, Moeller, Robinson, Tharinger and Van De Wege.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Schmick, Ranking Minority Member; Caldier, DeBolt and Short.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Johnson.

**Staff:** Ariele Landstrom (786-7190).

**Background:**

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*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.*

Provider credentialing is the process that insurance carriers use to make sure that a health care provider is qualified to provide care and treatment to their members.

Legislation enacted in 2009 required that the Office of the Insurance Commissioner (OIC) 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 electronic process was required to be designed to:

- reduce the administrative burden on health care providers;
- improve the quality and timeliness of information for hospitals and insurance carriers;
- and
- serve as the sole source of health care provider credentialing information required by hospitals and insurance carriers.

The OIC selected OneHealthPort as the lead organization, which developed the credentialing database ProviderSource. Many insurance carriers in Washington require providers to submit credentialing applications online using the database through ProviderSource. Other insurance carriers or health facilities perform their own credentialing process or use a different third-party credentialing database.

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### **Summary of Substitute Bill:**

Health care providers are required to submit credentialing applications to a single credentialing database and health carriers are required to accept and manage credentialing applications from the database.

A health carrier is not required to approve a credentialing application that is submitted to it, nor is it required to place health care providers into a network.

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.

A health carrier must make a determination approving or denying a credentialing application submitted to the carrier no later than 15 days after receiving a complete application from a health care provider. If a health care provider submits an incomplete credentialing application, the health carrier must notify the health care provider of the incomplete application in writing no later than five days after receipt of the application. The notice must contain what is needed for the application to be complete.

### **Substitute Bill Compared to Original Bill:**

The substitute bill:

- removes the provision for the OIC to utilize the credentialing database;
- changes the term "health benefit plan" to "health carrier;"

- provides that a health carrier is not required to approve a credentialing application or to place health care providers into a network;
  - provides that the requirement for health carriers to use the credentialing database does not apply to credentialing delegation arrangements between facilities and health carriers;
  - changes the definition of "health care provider" to mean a person regulated under Title 18 RCW or chapter 70.127 RCW, to practice health or health-related services or otherwise practicing health care services in this state; and
  - provides that a health care provider practicing at a facility that has a credentialing delegation arrangement between the facility and a health carrier is not required to submit applications using the database.
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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support of substitute bill) Standardization for credentialing will have a positive impact on patient access to care and reducing administrative burden. This is a crucial step, from voluntary to mandatory. A standardized credentialing process solves two main problems: (1) each carrier has a unique process and (2) it reduces the turnaround time for applications. The data divide between health carriers and providers will be reduced. Wait times for applications can be over 90 days. The credentialing process is outdated and the cost is borne by patients. Providers cannot see patients right away because credentialing takes too long. A single credentialing database can solve these issues.

(Opposed to substitute bill) Credentialing is a serious issue; it is about patient safety. Credentialing protects patients; it makes sure that providers have training and qualifications, and that a check has been run to look at fraud and sanctions from other states. A 15-day turnaround time for applications is unrealistic and insufficient to complete the credentialing process, especially when an insurer is receiving hundreds of applications on a daily basis. Other states have much longer turnaround times. Sixty to 90 days is standard for turnaround times for applications. Most delays are the result of incomplete information being submitted. Eighty-five percent of applications are missing information. With this bill, there would be an increase of applications that would have to be denied. Credentialing is important because there are checks for sexual misconduct, criminal history, exclusion by Medicare and Medicaid, falsifying of patient records, and fraudulent billing; these types of checks take time.

**Persons Testifying:** (In support of substitute bill) Representative Moeller, prime sponsor; Jeb Shepard, Washington State Medical Association; James Hudson, Washington State Medical Group Management; and Lisa Thatcher, Washington State Hospital Association.

(Opposed to substitute bill) Sydney Smith Zvara, Association of Washington Health Plans; Amber Bronnum Moore, Group Health Cooperative; Andrea Tull, Coordinated Care; Chris Bandoli, Regence; and Sheela Tallman, Premera.

**Persons Signed In To Testify But Not Testifying:** None.