

# HOUSE BILL REPORT

## 2SHB 2335

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### As Passed Legislature

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

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

**Sponsors:** House Committee on General Government & Information Technology (originally sponsored by Representatives Cody, Appleton and Jinkins).

#### **Brief History:**

##### **Committee Activity:**

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

General Government & Information Technology: 1/26/16, 1/29/16 [DP2S(w/o sub HCW)].

##### **Floor Activity:**

Passed House: 2/11/16, 97-0.

Passed Senate: 3/3/16, 48-0.

Passed Legislature.

#### **Brief Summary of Second Substitute Bill**

- Requires health care providers to submit credentialing applications to a single credentialing database and requires health carriers to accept and manage credentialing application from the same database.
- Provides that health carriers have up to 90 days to make a determination regarding the approval or denial of a provider's credentialing application.
- Provides that after June 1, 2020, the average response for the health carrier to make a determination regarding the approval or denial of a provider's credentialing application must not exceed 60 days.

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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.

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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.*

**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).

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## HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 6 members: Representatives Hudgins, Chair; Kuderer, Vice Chair; Caldier, Assistant Ranking Minority Member; Johnson, Morris and Senn.

**Minority Report:** Without recommendation. Signed by 1 member: Representative MacEwen, Ranking Minority Member.

**Staff:** Linda Merelle (786-7092).

### **Background:**

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.

### **Summary of Second 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. Effective June 1, 2018, a health carrier must make a

determination approving or denying a credentialing application submitted to the carrier no later than 90 days after receiving a complete application from a health care provider. Effective June 1, 2020, the average response for the health carrier to make a determination regarding the approval or denial of a provider's credentialing application must not exceed 60 days.

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.

The OIC does not have an oversight or enforcement duty against a health carrier for the health carrier's failure to comply with provisions related to the use of the credentialing database.

Health care providers must update their credentialing information as necessary to provide for the purposes of recredentialing.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on June 1, 2018.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(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.

**Staff Summary of Public Testimony (General Government & Information Technology):**

(In support) The bill was a work in progress when it passed out of the Health Care and Wellness Committee. The purpose of the bill is to try to make it easier for the providers to get credentialed with the carriers. There were some concerns about the 15-day time limit in the original bill, but that has been addressed. The implementation of the provisions in this bill will have a positive impact on patient access to care and will improve the credentialing process for both providers and carriers.

(Opposed) None.

(Other) There were some concerns about the 15-day time limit in the original bill, but that has been addressed.

**Persons Testifying (Health Care & Wellness):** (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 Testifying (General Government & Information Technology):** (In support) Jeb Shepard, Washington State Medical Association; and Brad Tower, Optometric Physicians of Washington.

(Other) Sydney Smith Zvara, Association of Washington Healthcare, Snoqualmie Plans.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (General Government & Information Technology):** None.