

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 HOUSE BILL 3279

By: Mulready

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7 AS INTRODUCED

8 An Act relating to credentialing; amending 36 O.S.  
9 2011, Section 4405.1, which relates to the  
10 credentialing of physicians and other health care  
11 providers; modifying certain term; requiring health  
12 benefit plans to include credentialing of agencies or  
13 programs; amending 63 O.S. 2011, Section 1-106.2,  
14 which relates to the development of an application  
15 used in the credentialing process of health care  
16 providers; expanding application to include mental  
17 health and substance abuse agencies and programs; and  
18 providing an effective date.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2011, Section 4405.1, is  
amended to read as follows:

Section 4405.1 A. As used in this section:

1. a. "Health benefit plan" or "plan" means:

- (1) group hospital or medical insurance coverages,
- (2) not-for-profit hospital or medical service or  
indemnity plans,
- (3) prepaid health plans,

- 1 (4) health maintenance organizations,
- 2 (5) preferred provider plans,
- 3 (6) Multiple Employer Welfare Arrangements (MEWA), or
- 4 (7) employer self-insured plans that are not exempt
- 5 pursuant to the federal Employee Retirement
- 6 Income Security Act (ERISA) provisions, and

7 b. the term "health benefit plan" shall not include:

- 8 (1) individual plans,
- 9 (2) plans that only provide coverage for a specified
- 10 disease, accidental death, or dismemberment for
- 11 wages or payments in lieu of wages for a period
- 12 during which an employee is absent from work
- 13 because of sickness or injury or as a supplement
- 14 to liability insurance,
- 15 (3) Medicare supplemental policies as defined in
- 16 Section 1882(g)(1) of the federal Social Security
- 17 Act (42 U.S.C., Section 1395ss),
- 18 (4) workers' compensation insurance coverage,
- 19 (5) medical payment insurance issued as a part of a
- 20 motor vehicle insurance policy, or
- 21 (6) long-term care policies, including nursing home
- 22 fixed indemnity policies, unless the Insurance
- 23 Commissioner determines that the policy provides
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1 comprehensive benefit coverage sufficient to meet  
2 the definition of a health benefit plan; and

3 2. "Credentialing" or "recredentialing", as applied to  
4 physicians and other health care providers, and mental health and  
5 substance abuse agencies and programs including alcohol and drug  
6 treatment programs, comprehensive community addiction recovery  
7 centers, community residential mental health facilities, community  
8 mental health centers, and community-based structured crisis centers  
9 certified by the Department of Mental Health and Substance Abuse  
10 Services, means the process of accessing and validating the  
11 qualifications of such persons or agencies or programs to provide  
12 health care services to the beneficiaries of a health benefit plan.  
13 Credentialing or recredentialing may include, but is not limited to,  
14 an evaluation of licensure status, education, training, experience,  
15 competence and professional judgment.

16 Credentialing or recredentialing is a prerequisite to the final  
17 decision of a health benefit plan to permit initial or continued  
18 participation by a physician or other health care provider, agency  
19 or program.

20 B. 1. Any health benefit plan that is offered, issued or  
21 renewed in this state shall provide for credentialing and  
22 recredentialing of physicians and other health care providers,   
23 agencies or programs based on criteria provided in the uniform  
24

1 credentialing application required by Section 1-106.2 of Title 63 of  
2 the Oklahoma Statutes.

3 2. Health benefit plans shall make information on such criteria  
4 available to physician and other health care provider, agency or  
5 program applicants, participating physicians, and other  
6 participating health care providers, agencies or programs and shall  
7 provide applicants with a checklist of materials required in the  
8 application process.

9 3. Physicians or other health care providers, agencies or  
10 programs under consideration to provide health care services under a  
11 health benefit plan in this state shall apply for credentialing or  
12 recredentialing on the uniform credentialing application and shall  
13 provide the documentation as outlined in the plan's checklist of  
14 materials required in the application process.

15 C. A health benefit plan shall determine whether a  
16 credentialing or recredentialing application is complete. If an  
17 application is determined to be incomplete, the plan shall notify  
18 the applicant in writing within ten (10) calendar days of receipt of  
19 the application. The written notice shall specify the portion of  
20 the application that is causing a delay in processing and explain  
21 any additional information or corrections needed.

22 D. 1. In reviewing the application, the health benefit plan  
23 shall evaluate each application according to the plan's checklist of  
24 required materials that accompanies the application.

1           2. When an application is deemed complete, the plan shall  
2 initiate requests for primary source verification and malpractice  
3 history within seven (7) calendar days.

4           3. A malpractice carrier shall have twenty-one (21) calendar  
5 days within which to respond after receipt of an inquiry from a  
6 health benefit plan. Any malpractice carrier that fails to respond  
7 to an inquiry within the time frame may be assessed an  
8 administrative penalty by the Insurance Commissioner.

9           E. 1. Upon receipt of primary source verification and  
10 malpractice history by the plan, the plan shall determine if the  
11 application is a clean application. If the application is deemed  
12 clean, a plan shall have forty-five (45) calendar days within which  
13 to credential or recredential a physician or other health care  
14 provider, agency or program. As used in this paragraph, "clean  
15 application" means an application that has no defect, misstatement  
16 of facts, improprieties, including a lack of any required  
17 substantiating documentation, or particular circumstance requiring  
18 special treatment that impedes prompt credentialing or  
19 recredentialing.

20           2. If a plan is unable to credential or recredential a  
21 physician or other health care provider, agency or program due to an  
22 application's not being clean, the plan may extend the credentialing  
23 or recredentialing process for sixty (60) calendar days. At the end  
24 of sixty (60) calendar days, if the plan is awaiting documentation

1 to complete the application, the physician or other health care  
2 provider, agency or program shall be notified of the reason for the  
3 delay by certified mail. The physician or other health care  
4 provider, agency or program may extend the sixty-day period upon  
5 written notice to the plan within ten (10) calendar days; otherwise  
6 the application shall be deemed withdrawn. In no event shall the  
7 entire credentialing or recredentialing process exceed one hundred  
8 eighty (180) calendar days.

9 3. A health benefit plan shall be prohibited from solely basing  
10 a denial of an application for credentialing or recredentialing on  
11 the lack of board certification or board eligibility and from adding  
12 new requirements solely for the purpose of delaying an application.

13 4. Any health benefit plan that violates the provisions of this  
14 section may be assessed an administrative penalty by the  
15 Commissioner.

16 SECTION 2. AMENDATORY 63 O.S. 2011, Section 1-106.2, is  
17 amended to read as follows:

18 Section 1-106.2 A. By January 1, ~~1999~~ 2015, the State Board of  
19 Health shall promulgate rules necessary to develop a uniform  
20 application which shall be used in the credentialing process of  
21 health care providers and mental health and substance abuse agencies  
22 and programs including alcohol and drug treatment programs,  
23 comprehensive community addiction recovery centers, community  
24 residential mental health facilities, community mental health

1 centers, and community-based structured crisis centers certified by  
2 the Department of Mental Health and Substance Abuse Services. The

3 State Department of Health shall develop such application form for:

4 1. Initial privileges or membership in a hospital, managed care  
5 organization, or other entity requiring credentials verification;

6 and

7 2. Recredentialing or reappointment in a hospital, managed care  
8 organization, or other entity requiring credentials verification;

9 and

10 3. Mental health and substance abuse agencies and programs  
11 including alcohol and drug treatment programs, comprehensive  
12 community addiction recovery centers, community residential mental  
13 health facilities, community mental health centers, and community-  
14 based structured crisis centers certified by the Department of  
15 Mental Health and Substance Abuse Services.

16 B. Any entity requiring credentials verification may require  
17 supplemental information.

18 SECTION 3. This act shall become effective November 1, 2014.

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