

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1365

By: David

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5  
6 AS INTRODUCED

7 An Act relating to mental health and substance abuse  
8 services; amending 36 O.S. 2011, Section 4405.1,  
9 which relates to health benefit plans; expanding  
10 certain definitions; requiring health benefit plans  
11 to provide for credentialing of certain entities;  
12 requiring health benefit plans to disclose certain  
13 information; requiring certain entities to apply for  
14 credentialing; providing for credentialing of certain  
15 agencies; extending credentialing process under  
16 certain circumstances; amending 63 O.S. 2011, Section  
17 1-106.2, which relates to credentialing; directing  
18 State Board of Health to promulgate rules and forms  
19 for certain entities; and providing an effective  
20 date.

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- 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
- 24

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, means the process of  
6 accessing and validating the qualifications of such persons or  
7 agencies or programs to provide health care services to the  
8 beneficiaries of a health benefit plan. Credentialing or  
9 recredentialing may include, but is not limited to, an evaluation of  
10 licensure status, education, training, experience, competence and  
11 professional judgment.

12 Credentialing or recredentialing is a prerequisite to the final  
13 decision of a health benefit plan to permit initial or continued  
14 participation by a physician or other health care provider, agency  
15 or program. For the purposes of this section, mental health and  
16 substance abuse agencies and programs shall include:

- 17 a. alcohol and drug treatment programs,
- 18 b. comprehensive community addiction recovery centers,
- 19 c. community residential mental health facilities,
- 20 d. community mental health centers, and
- 21 e. community-based, structured crisis centers certified  
22 by the Department of Mental Health and Substance Abuse  
23 Services.

1 B. 1. Any health benefit plan that is offered, issued or  
2 renewed in this state shall provide for credentialing and  
3 recredentialing of physicians and other health care providers,  
4 agencies or programs based on criteria provided in the uniform  
5 credentialing application required by Section 1-106.2 of Title 63 of  
6 the Oklahoma Statutes.

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

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

19 C. A health benefit plan shall determine whether a  
20 credentialing or recredentialing application is complete. If an  
21 application is determined to be incomplete, the plan shall notify  
22 the applicant in writing within ten (10) calendar days of receipt of  
23 the application. The written notice shall specify the portion of  
24

1 the application that is causing a delay in processing and explain  
2 any additional information or corrections needed.

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

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

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

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

24

1           2. If a plan is unable to credential or recredential a  
2 physician or other health care provider, agency or program due to an  
3 application's not being clean, the plan may extend the credentialing  
4 or recredentialing process for sixty (60) calendar days. At the end  
5 of sixty (60) calendar days, if the plan is awaiting documentation  
6 to complete the application, the physician or other health care  
7 provider, agency or program shall be notified of the reason for the  
8 delay by certified mail. The physician or other health care  
9 provider or agency may extend the sixty-day period upon written  
10 notice to the plan within ten (10) calendar days; otherwise the  
11 application shall be deemed withdrawn. In no event shall the entire  
12 credentialing or recredentialing process exceed one hundred eighty  
13 (180) calendar days.

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

18           4. Any health benefit plan that violates the provisions of this  
19 section may be assessed an administrative penalty by the  
20 Commissioner.

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

23           Section 1-106.2. A. By January 1, ~~1999~~ 2015, the State Board  
24 of Health shall promulgate rules necessary to develop a uniform

1 application which shall be used in the credentialing process of  
2 health care providers and mental health and substance abuse agencies  
3 and programs, including:

- 4 1. Alcohol and drug treatment programs;
- 5 2. Comprehensive community addiction recovery centers;
- 6 3. Community residential mental health facilities;
- 7 4. Community mental health centers; and
- 8 5. Community-based, structured crisis centers certified by the  
9 Department of Mental Health and Substance Abuse Services.

10 B. The State Department of Health shall develop such  
11 application form for:

12 1. Initial privileges or membership in a hospital, managed care  
13 organization, or other entity requiring credentials verification;  
14 and

15 2. Recredentialing or reappointment in a hospital, managed care  
16 organization, or other entity requiring credentials verification;  
17 and

18 3. Mental health and substance abuse agencies and programs,  
19 including:

- 20 a. alcohol and drug treatment programs,
- 21 b. comprehensive community addiction recovery centers,
- 22 c. community residential mental health facilities,
- 23 d. community mental health centers, and

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

4           ~~B.~~ C. Any entity requiring credentials verification may require  
5 supplemental information.

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

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