

SENATE BILL 819

Unofficial Copy
J2

2002 Regular Session
2lr2304
CF 2lr2305

By: **Senators Dorman, Astle, Exum, Hafer, and Hooper**

Introduced and read first time: February 14, 2002

Assigned to: Rules

Re-referred to: Finance, February 20, 2002

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 19, 2002

CHAPTER _____

1 AN ACT concerning

2 **Health Care Practitioners – Credentials Hospitals - Uniform Standard**
3 **Credentialing Form**

4 FOR the purpose of requiring a hospital to use a uniform standard credentialing form
5 as a condition of licensure; ~~requiring a uniform credentialing form to provide for~~
6 ~~the collection of certain information for carriers, credentialing intermediaries~~
7 ~~and health care facilities; requiring a health care facility to accept the uniform~~
8 ~~credentialing form as the sole application for a health care provider; requiring~~
9 ~~the uniform credentialing form be made available to a health care provider that~~
10 ~~is to be credentialed by a health care facility; authorizing the Insurance~~
11 ~~Commissioner to impose a certain penalty to a health care facility for certain~~
12 ~~reasons; altering certain definitions~~ requiring hospitals to use the uniform
13 standard credentialing form as the initial application of a physician seeking to
14 be credentialed; providing that the use of the uniform standard credentialing
15 form does not preclude a hospital from requiring additional information;
16 authorizing the Insurance Commissioner to permit a carrier to use a health care
17 facility's credentialing form in certain circumstances; requiring the Secretary of
18 Health and Mental Hygiene to consult with certain organizations in the
19 development of the uniform standard credentialing form; defining a certain
20 term; providing for a delayed effective date for certain provisions of this Act; and
21 generally relating to a uniform standard credentialing form for a ~~health care~~
22 provider hospitals.

23 BY repealing and reenacting, with amendments,

24 Article - Health - General

25 Section 19-319(e)

26 Annotated Code of Maryland

1 (2000 Replacement Volume and 2001 Supplement)

2 ~~BY repealing and reenacting, with amendments,~~

3 ~~Article - Insurance~~

4 ~~Section 15-112.1~~

5 ~~Annotated Code of Maryland~~

6 ~~(1997 Volume and 2001 Supplement)~~

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Health - General**

10 19-319.

11 (e) (1) IN THIS SUBSECTION, "UNIFORM STANDARD CREDENTIALING FORM"
12 MEANS THE FORM DESIGNATED BY THE SECRETARY THROUGH REGULATION FOR
13 CREDENTIALING PHYSICIANS WHO SEEK TO BE EMPLOYED BY OR HAVE STAFF
14 PRIVILEGES AT A HOSPITAL.

15 (2) As a condition of licensure, each hospital shall:

16 (I) [establish] ESTABLISH a credentialing process for the
17 physicians who are employed by or who have staff privileges at the hospital; AND

18 (II) USE THE UNIFORM STANDARD CREDENTIALING FORM
19 PURSUANT TO § 15-112.1 OF THE INSURANCE ARTICLE AS THE INITIAL APPLICATION
20 OF A PHYSICIAN SEEKING TO BE CREDENTIALLED.

21 (3) USE OF THE UNIFORM STANDARD CREDENTIALING FORM DOES NOT
22 PRECLUDE A HOSPITAL FROM REQUIRING SUPPLEMENTAL OR ADDITIONAL
23 INFORMATION AS PART OF THE HOSPITAL'S CREDENTIALING PROCESS.

24 (4) The Secretary shall, by regulation and in consultation with
25 hospitals, physicians, interested community and advocacy groups, and
26 representatives of the Maryland Defense Bar and Plaintiffs' Bar, establish minimum
27 standards for a credentialing process which shall include:

28 (i) A formal written appointment process documenting the
29 physician's education, clinical expertise, licensure history, insurance history, medical
30 history, claims history, and professional experience.

31 (ii) A requirement that an initial appointment to staff not be
32 complete until the physician has successfully completed a probationary period.

33 (iii) A formal, written reappointment process to be conducted at
34 least every 2 years. The reappointment process shall document the physician's
35 pattern of performance by analyzing claims filed against the physician, data dealing
36 with utilization, quality, and risk, a review of clinical skills, adherence to hospital

1 bylaws, policies and procedures, compliance with continuing education requirements,
2 and mental and physical status.

3 ~~(3)~~ (5) If requested by the Department, a hospital shall provide
4 documentation that, prior to employing or granting privileges to a physician, the
5 hospital has complied with the requirements of this subsection and that, prior to
6 renewing employment or privileges, the hospital has complied with the requirements
7 of this subsection.

8 ~~(4)~~ (6) If a hospital fails to establish or maintain a ~~credentialing~~
9 CREDENTIALING process required under this subsection, the Secretary may impose
10 the following penalties:

- 11 (i) Delicensure of the hospital; or
- 12 (ii) \$500 per day for each day the violation continues.

13 **Article—Insurance**

14 ~~15-112.1.~~

15 ~~(a)~~ ~~(1)~~ ~~In this section the following words have the meanings indicated.~~

16 ~~(2)~~ ~~(i)~~ ~~"Carrier" means:~~

- 17 ~~1. an insurer;~~
- 18 ~~2. a nonprofit health service plan;~~
- 19 ~~3. a health maintenance organization;~~
- 20 ~~4. a dental plan organization; [or]~~
- 21 ~~5. A MANAGED CARE ORGANIZATION AS DEFINED IN §~~
22 ~~15-101(F) OF THE HEALTH GENERAL ARTICLE;~~
- 23 ~~6. A MANAGED CARE BEHAVIORAL HEALTH CARE~~
24 ~~ORGANIZATION AS DEFINED IN § 15-127(A)(6) OF THIS TITLE; OR~~
- 25 ~~[5.] 7. any other person that provides health benefit plans~~
26 ~~subject to regulation by the State.~~

27 ~~(ii)~~ ~~"Carrier" includes an entity that arranges a provider panel for a~~
28 ~~carrier.~~

29 ~~(3)~~ ~~"Credentialing intermediary" means a person to whom a carrier has~~
30 ~~delegated credentialing or recredentialing authority and responsibility.~~

31 ~~(4)~~ ~~"HEALTH CARE FACILITY" HAS THE SAME MEANING AS IN § 19-114 OF~~
32 ~~THE HEALTH GENERAL ARTICLE.~~

1 ~~[(4)]~~ (5) "Health care provider" means an individual who is licensed,
2 certified, or otherwise authorized under the Health Occupations Article to provide
3 health care services ~~OR MENTAL HEALTH SERVICES.~~

4 ~~[(5)]~~ (6) "Provider panel" means the providers that contract with a
5 carrier to provide health care services to the enrollees under a health benefit plan of
6 the carrier.

7 ~~[(6)]~~ (7) "Uniform credentialing form" means the form designated by the
8 Commissioner through regulation for use by a ~~[carrier or] CARRIER, its credentialing~~
9 ~~[intermediary] INTERMEDIARY, OR A HEALTH CARE FACILITY~~ for credentialing and
10 recredentialing a health care provider for participation on a provider panel ~~OR FOR~~
11 ~~STAFF PRIVILEGES AT A HEALTH CARE FACILITY.~~

12 (B) ~~THE UNIFORM CREDENTIALING FORM SHALL PROVIDE FOR THE~~
13 ~~COLLECTION OF ALL INFORMATION THAT CARRIERS, CREDENTIALING~~
14 ~~INTERMEDIARIES AND HEALTH CARE FACILITIES ARE REQUIRED TO COLLECT IN~~
15 ~~ORDER TO MEET THEIR CREDENTIALING RESPONSIBILITIES UNDER STATE AND~~
16 ~~FEDERAL LAW, AND ALL INFORMATION REQUIRED BY A HEALTH CARE FACILITY FOR~~
17 ~~PURPOSES OF GRANTING STAFF PRIVILEGES.~~

18 ~~[(b)]~~ (C) (1) ~~A carrier or its credentialing intermediary shall accept the~~
19 ~~uniform credentialing form as the sole application for a health care provider to~~
20 ~~become credentialed or recredentialled for a provider panel of the carrier.~~

21 (2) ~~A HEALTH CARE FACILITY SHALL ACCEPT THE UNIFORM~~
22 ~~CREDENTIALING FORM AS THE SOLE APPLICATION FOR A HEALTH CARE PROVIDER.~~

23 ~~[(2)]~~ (3) ~~A carrier or its credentialing intermediary shall make the~~
24 ~~uniform credentialing form available to any health care provider that is to be~~
25 ~~eredentialed or recredentialled by that carrier or credentialing intermediary OR BY A~~
26 ~~HEALTH CARE FACILITY.~~

27 ~~[(c)]~~ (D) ~~The Commissioner may impose a penalty not to exceed \$500 against~~
28 ~~any carrier for each violation of this section by the [carrier or] CARRIER, its~~
29 ~~credentialing intermediary, OR HEALTH CARE FACILITY.~~

30 ~~[(d)]~~ (E) (1) ~~The Commissioner shall adopt regulations to implement the~~
31 ~~provisions of this section.~~

32 (2) ~~In adopting the regulations required under paragraph (1) of this~~
33 ~~subsection, the Commissioner shall consider the use of an electronic format for the~~
34 ~~uniform credentialing form and the filing of the uniform credentialing form by~~
35 ~~electronic means.~~

36 SECTION 2. AND BE IT FURTHER ENACTED, That ~~until such time as the~~
37 ~~Insurance Commissioner, in collaboration with the Secretary of Health and Mental~~
38 ~~Hygiene, has revised the regulations to meet the new requirements of this Act, may~~
39 ~~permit a carrier may to use a health care facility's credentialing form to credential~~
40 ~~providers at that facility instead of the uniform form, if the carrier has designated the~~

1 health care facility as the credentialing intermediary for the health care facility's
2 physicians.

3 SECTION 3. AND BE IT FURTHER ENACTED, That, ~~in modifying the~~
4 ~~uniform credentialing form to reflect the new requirements in this Act, the Insurance~~
5 ~~Commissioner, in collaboration with~~ the Secretary of Health and Mental Hygiene,
6 shall consult with ~~carriers, managed care organizations, the Maryland Hospital~~
7 ~~Association, and the Maryland State Medical Society to ensure all necessary~~
8 ~~information is included in the uniform credentialing form~~ the Maryland Hospital
9 Association, the University of Maryland Medical System, the Johns Hopkins
10 University Hospital, the Medical and Chirurgical Faculty of the State of Maryland,
11 the Medical Group Management Association, the Mid-Atlantic Association of
12 Community Health Centers, and other affected parties in developing a uniform
13 standard credentialing form, for purposes of § 19-319(e) of the Health - General
14 Article as enacted by this Act, that is to be used for the uniform and consistent
15 collection of the basic information required by all hospitals as part of the
16 credentialing process.

17 SECTION 4. AND BE IT FURTHER ENACTED, That in conjunction with the
18 process of developing a uniform standard credentialing form under Section 3 of this
19 Act, the Secretary shall examine methods to address delays in carrier processing of
20 physicians' initial applications for credentialing.

21 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
22 take effect July 1, 2003.

23 SECTION 4. ~~6.~~ AND BE IT FURTHER ENACTED, That, except as provided in
24 Section 5 of this Act, this Act shall take effect July 1, 2002.