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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 1093
Health Insurance - Provider Panels – Requirements

Good afternoon, Chair Bagnall and honorable members of the committee. Thank you for this opportunity to present **HB 1093 - Health Insurance - Provider Panels – Requirements**

This bill's underlying purpose is to support healthcare providers in meeting the needs of their communities, all the way from Western Maryland to the Eastern Shore. While we cannot increase the number of healthcare providers overnight, we can do better in ensuring that outdated administrative processes, such as credentialing, do not stand in the way of the provision of healthcare services.

Carriers use the credentialing process to determine if providers meet the requirements to participate on insurance panels. Maryland's credentialing statute was intended to be helpful by providing uniform timeframes and administrative mile markers across state-regulated health insurance, Medicaid managed care, and dental plans. However, Maryland's statute is so old that it may be contributing to credentialing issues, rather than solving them. Dating back to the 1990's, our credentialing statute was designed when credentialing was a paper process. Providers filled out paper applications and submitted their credentialing packets by fax or through the mail. Carriers had to verify credentials through the mail from primary sources, such as out-of-state licensure boards and higher education institutions. Carriers and providers also handled any official follow-up communications through the mail.

Last fall, I learned of the impact of our outdated credentialing statute on providers. I began by spending time with a collaborative of credentialing managers at federally qualified health centers, organized by the Maryland Community Health System. I heard firsthand that credentialing managers spend much of their day trying to track down information about the status of credentialing applications, responding to duplicate inquires for the same credentialing information, and educating a revolving door of provider representatives. I then spoke with MedChi and other provider associations and heard a similar narrative. The credentialing process is time consuming, administratively burdensome, and delays providers from entering practice in their communities. We need to change the process to ensure providers can spend their resources on what is most important – patient care.

House Bill 1093 seeks to modernize our credentialing law by acknowledging the credentialing process can be, *and should be*, managed electronically. House Bill 1093 updates Maryland law by:

- Reducing the credentialing period from a maximum of 120 to 30 days for carriers to process a completed application. Since we no longer must rely on the U.S. mail for credentialing, providers should not have to wait 120 days.
- Ensuring payors are responsive to providers' inquiries about their credentialing applications. The bill requires payers to establish a dedicated email address and voice mailbox as well as respond to provider inquiries within two business days. This Committee took a remarkably similar approach to the preauthorization process.
- Requiring all carriers to utilize the uniform electronic credentialing platform as designated by the Insurance Commissioner. Most carriers already use the CAQH platform (Council for Affordable Quality Healthcare). With CAQH, providers can upload a single credentialing application. Then, any carrier can access the application as part of the credentialing process. Use of such a platform reduces redundancy for both carriers and providers.
- Requiring CAQH (or any platform designated by the Insurance Commissioner as the State's uniform credentialing platform) to form an ongoing workgroup with providers and carriers to resolve operational issues. This will help keep minor operational issues from becoming major logjams; and
- Providing the Insurance Commissioner with authority to leverage up to a \$500 daily penalty for a violation of the credentialing statute. The Insurance Commissioner would collect the penalty and remit it to the provider to offset the impact of the carrier's violation.

House Bill 1093 also contains provisions to improve the accuracy of provider directories for commercial carriers. When providers use CAQH to upload an initial credentialing application, they must continue to attest every 120 days as to the accuracy of the information. Carriers should be using CAQH to keep provider directories up to date.

On the surface, House Bill 1093 sounds like a very technical bill; but at the core, the bill is really about healthcare access. Our federally qualified health centers, private medical practices, and dental offices are working diligently to recruit providers. Yet when they can hire someone, they face lengthy delays in deploying them to serve their community. Credentialing should be *and can be* streamlined, fast, and efficient.

In Maryland, we are forward thinking with innovations such as the AHEAD Model and the Rural Health Transformation Grant. Yet, some of the building blocks of our healthcare system, such as the credentialing process are outdated. I ask for a favorable vote on House Bill 1093. Maryland's credential law dates to the 1990's, and it is time to align our law with today's technology.

Thank you very much for your consideration and I jumbly request a favorable report.