

## **BILL ANALYSIS**

Senate Research Center

H.B. 3216  
By: McCall (Cain)  
Health Services  
5/10/1999  
Engrossed

### **DIGEST**

Currently, physicians in this state are required to complete a credentialing application for each health care facility with which they seek or hold or renew an affiliation. The credentialing effort has increased significantly as a result of health care reform and recent changes in the health care delivery and reimbursement system. Much of the information regarding physicians is collected, verified, and stored at the Texas State Board of Medical Examiners as part of the initial licensure process. H.B. 3216 would regulate the standardization of credentialing of physicians.

### **PURPOSE**

As proposed, H.B. 3216 regulates the standardization of credentialing of physicians.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas State Board of Medical Examiners in SECTION 2 (Sections 7.04(c) and 7.07, Article 4495b, V.T.C.S. (The Medical Practice Act)) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Provides that the legislature recognizes that an efficient and effective credentialing program helps to ensure access to quality health care and also recognizes that physician credentialing activities have increased significantly as a result of health care reform and recent changes in health care delivery and reimbursement systems. Provides that the resulting duplication of physician credentialing is unnecessarily costly and cumbersome for both the practitioner and the entity granting practice privileges. Provides that it is therefore, the intent of the legislature that a mandatory credentials collection program be established which provides that, once a physician's core credentials data are collected, validate, maintained, and stored, they need to be collected again.

SECTION 2. Amends Article 4495b, V.T.C.S. (The Medical Practice Act), by adding Subchapter G, as follows:

#### **SUBCHAPTER G. CREDENTIALS VERIFICATION PROGRAM**

Sec. 7.01. DEFINITIONS. Defines "core credentials data," "credentials verification organization," "health care entity," and "physician."

Sec. 7.02. STANDARDIZED CREDENTIALS VERIFICATION PROGRAM. Requires the Texas State Board of Medical Examiners (board), in accordance with the provisions of this section, to develop standardized forms and guidelines of collecting, verifying, maintaining, and storing core credentials data and for releasing the data to health care entities or to the designated credentials verification organization authorized by the physician to receive the data. Provides that once the core credentials data are submitted to the board, the physician is not required to resubmit this initial data when applying for practice privileges with a health care entity; however, each physician is responsible for providing, within 30 days, corrections, update, and modification to the core credentials data to the board to ensure that all credentialing data on the physician remains current, and in addition, physician's data on a form prescribed by the board. Sets forth the standard forms required to be developed by the board. Requires any health care entity that employs, contracts with, or credentials physicians to use the board to obtain core credentials data for items the board is designated as a primary or alternate source by national accreditation organization. Authorizes a health care entity to act through its designated credentials verification

organization. Prohibits anything in this section from being construed to restrict in any way the authority of a health care entity to approve or deny an application for or renewal of hospital staff membership, clinical privileges, or managed care network participation.

Sec. 7.03. AVAILABILITY OF DATA COLLECTED. Requires the board to make available to a health care entity or its designated credentials verification organization, all core credential data it collects on a physician. Requires this information to be made available within a certain time period.

Sec. 7.04. DUPLICATION OF DATA PROHIBITED. Provides that a health care entity is prohibited from collecting or attempting to collect duplicate core credentials data from a physician, if the information is available from the board for items the board is designated as a primary or alternate source by a national accreditation organization. Provides that nothing in this section may be construed to restrict the right of a health care entity to credential the physician. Authorizes any additional information required by a health care entity's credentialing process to be collected from the primary sources of that information, either by the health care entity or by its designated credential verification organization. Prohibits a state agency, effective September 1, 2002, from collecting or attempting to collect duplicate core credentials data from a physician, if the information is already available from the board. Prohibits anything in this section from being construed to restrict the right of a state agency to request additional information not included in the core credentials data file but deemed necessary for the agency's specific credentialing purposes. Authorizes the board, by rule, to provide exceptions to the provisions of Subsections (a) and (b) of this section, if the request for a type of class of information is necessary in order for a health care entity to provide temporary privileges during the credentialing process and such information is available from another state agency. Authorizes such information to include licenser verifications.

Sec. 7.05. LIABILITY. Prohibits any civil, criminal, or administrative action from being instituted, and there being any liability, against any health care entity or its designated credentials verification organization, because of the health care entity's or verification organization's reliance on any data obtained from the board under this subchapter.

Sec. 7.06. REVIEW. Requires the board, before releasing a physician's core credentials data from its data bank for the first time, to provide the physician 15 business days to review the data and request reconsideration or resolution of errors in, or omissions of, data collected during the initial credentials verification process. Requires any changes, comments, or clarifications made by the physician to be noted and included with the information in the core credentials data. Requires the board to notify a physician of any subsequent changes to the core credentials data when such changes are made or initiated by a person other than the physician. Authorizes a physician to request to review the data collected at any time after the initial release of information, but such request does not require the board to hold, release, or modify any information.

Sec. 7.07. RULES. Requires the board to adopt rules necessary to develop and implement the standardized credentials verification program established by this subchapter.

Sec. 7.08. CONFIDENTIALITY. Provides that the information received, collected, maintained, or stored by the board is proprietary information and is privileged and confidential and cannot be released.

Sec. 7.09. USE OF INDEPENDENT CONTRACTOR. Authorizes the board to provide for the collecting, verifying, maintaining, storing, and releasing of information through an independent contractor. Requires any agreement between the board and such contractor to provide for board oversight and confidentiality and to be awarded through a competitive bid process.

Sec. 7.10. APPROPRIATIONS, GRANTS, AND DONATIONS. Authorizes the board, in addition to any fees paid to the board or funds appropriated to the board, to receive and accept gifts, grants, donations, and any other type of funds or things of value from any source.

Sec. 7.11. FEES. Requires the board to charge and collect fees only in amounts necessary to cover the cost of operating and administering the board's duties and functions under this subchapter. Authorizes the board to waive the fee for a state agency that is required to use the core credentials data and that is prohibited from collecting duplicate data by Section 7.04 of this

Act.

SECTION 3. Requires the board to implement the credential verification program under Subchapter G, Medical Practice Act (Article 4495b, V.T.C.S.) as added by this Act, only if the legislature appropriates money specifically for that purpose. Authorizes the board, but is not required to, to implement the credentials verification program using other appropriations, gifts, grants, or donations available for that purpose, if the legislature does not appropriate money specifically for that purpose.

SECTION 4. Requires the board to make available the credentials required by Subchapter G, Medical Practice Act (Article 4495b, V.T.C.S.), as added by this Act, starting no sooner than September 1, 2001. Provides that a health care entity is not required to use the board's core credentials data until such data is available from the board and the board is designated as a primary or alternate source by a national accreditation organization.

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.