

## **BILL ANALYSIS**

Senate Research Center

S.B. 1618  
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Health Services  
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As Filed

### **DIGEST**

Currently, physicians are required to complete a credentialing application for each health care institution with which they seek to hold or renew an affiliation, and the information that is collected on physicians is verified and stored at the Texas State Board of Medical Examiners, as part of the initial licensure process. This credentialing process includes not only hospitals, but also nursing homes, long-term care facilities, large clinics and managed care entities. The credentialing effort has increased significantly as a result of health care reform and recent changes in the health care delivery reimbursement system. The Health Care Quality Improvement Act of 1986 and the National Committee for Quality Assurance established the standards required and increased focus on credentialing of health care practitioners. S.B. 1618 would establish a centralized credentialing verifications service built to store physician data information.

### **PURPOSE**

As proposed, S.B. 1618 sets forth a system for storing credentials of physicians.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Credential Verification Council in SECTION 1 (Section 7.07(a), Article 4495b, V.T.C.S.); and the Texas State Board of Medical Examiners in SECTION 1 (Section 7.11, Article 4495b, V.T.C.S.) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 4495b, V.T.C.S., (Medical Practice Act), by adding Subchapter G, as follows:

Sec. 7.01. FINDINGS AND PURPOSES. Provides that the legislature recognizes that an efficient and effective physician credentialing program helps to ensure access to quality health care and also recognizes that physicians credentialing activities have increased significantly as a result of health care reformed recent changes in health care delivery and reimbursement systems. Provides that the resulting duplication of physician credentialing activities is unnecessarily costly and cumbersome for both the practitioner and the entity granting practice privileges. Provides that it is 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, validated, maintained, and stored they need no be collected again.

Sec. 7.02. CREDENTIALS VERIFICATION COUNCIL. Provides that the Credentials Verification Council (council) is created to develop standardized forms and guidelines and to administer the collecting, verifying, maintaining, and storing of information relating to physician credentials and for releasing that information to health care entities authorized by the physician to receive such information. Requires the council to consist of 10 members. Requires the executive director of the Texas State Board of Medical Examiners (board) of the council, or his or her designee, to serve as one member and chair of the council and to appoint the remaining 10 members. Requires appointments to be for four-year staggered terms, with one four-year reappointment, as applicable, except for any initial lesser term required to achieve staggering. Requires one member to represent hospitals, and one member to represent health maintenance organizations. Requires one member to represent health insurance entities. Requires six members to be members of the board, and to provide that three members to be doctors of medicine (MD), one member to be a doctor of osteopathic medicine (DO), and two to be public members.

Sec. 7.03. ADMINISTRATION. Requires the council established herein to be administratively attached to the board, which shall provide administrative and operational duties and functions for the council employees of the board shall serve as staff for the council.

Sec. 7.04. DEFINITIONS. Defines “council,” “core credentials data,” “credentialing,” “credentialing verification organization,” “board,” “Drug Enforcement Administration certification,” “health care entity,” “physician,” “hospital affiliations,” “licensure core credentials data,” “national accrediting organization,” “primary source verification,” “professional training,” “recredentialing,” “secondary source verification,” and “speciality board certification.”

Sec. 7.05. STANDARDIZED CREDENTIALS VERIFICATION PROGRAM. Requires the council to develop standardized forms and guidelines for collecting, verifying, maintaining, and storing core credentials data (data) and for releasing it to health entities or its designated credential verification organization authorized by the physician to receive the data, in accordance with the provisions of this section. Provides that once the data is submitted to the council, the physician is not required to resubmit this initial data when applying for practice privileges with a health care entity. Provides that each physician, however, is responsible for providing to the council within 60 days, any corrections, updates, and modifications to his or her data, to ensure that all credentialing data on the physician remains current. Requires a physician to update annually his or her data on a form prescribed by the council, in addition, if no data has been reported. Requires the council, in consultation with the board, to develop standard forms for certain data. Requires any health care entity that employs, contracts with, or allows physicians to treat its patients to use the credentials verification council to obtain data on a physician applying for privileges with that entity. Authorizes a health care entity to act through its designated credentials verification organization. Provides that nothing in this section may be construed to restrict access to the National Practitioner Data Bank by the board, the council or any health care entity. Provides that nothing in this section may be construed to restrict in any way the authority of the health care entity to approve or deny an application for hospital staff membership, clinical privileges, or a managed care network participation.

Sec. 7.06. AVAILABILITY OF DATA COLLECTED. Requires the council to make available to a health care entity or its designated credentials verification organization, all data it collects on any physician, if authorized by the physician. Requires the council to charge the health care entity or its designated credentials verification organization a reasonable fee to access all data it maintains on physicians. Requires the fee to be set in consultation with the council.

Sec. 7.07. DUPLICATION OF DATA PROHIBITED. Provides that a health care entity is prohibited from collecting or attempting to collect duplicate data from any physician if the information is available from the council. Provides that nothing in this section may be construed to restrict the right of any health care entity or request additional information not included in the data file, which is necessary for it to credential the physician. Authorizes any additional information required by the health care entity’s credentialing process to be collected from the primary source of that information either by the health care entity or its designated credential verification organization. Authorizes the council, by rule, to add data elements for the data set. Prohibits a Texas state agency, from collecting or attempting to collect duplicate data from any individual physician, if the information is already available from the council, effective July 1, 2002. Provides that nothing in this section may be construed to restrict the right of any state agency to request additional information not included in the data file, but which is deemed necessary for the agency’s specific credentialing purposes.

Sec. 7.08. LIABILITY. Provides that no civil, criminal, or administrative action may be instituted, and there shall be no liability, against any health care entity on account of its reliance on any data obtained from the council.

Sec. 7.09. REVIEW. Requires the council to provide the practitioner up to 30 days to review such data and request reconsideration or resolution of errors in, or omissions of, data collected during the credentials verification process, before releasing a physician’s data from its data bank.

Sec. 7.10. VERIFICATION OF CREDENTIALS DATA. Requires the primary and secondary source verification procedures used by the council to meet the national standards as outlined by national accrediting organizations and the council to be appropriately accredited by such national

accrediting organizations.

Sec. 7.11. RULES. Authorizes the board, in consultation with the council, to adopt rules necessary to develop and implement the standardized credentials verification program established by this subsection.

Sec. 7.12. CONFIDENTIALITY. Provides that the information received, collected, or stored by the council is proprietary information and is privileged and confidential and cannot be released, except as provided by this subchapter. Provides that the information received collected or stored by the council is not subject to the Open Records Law, Chapter 552, Government Code.

Sec. 7.13. APPROPRIATIONS, GRANTS, AND DONATIONS. Authorizes the council to receive and accept gifts, grants, donations, and any other type of funds or things of value from any source, including the United States Government and any private source.

Sec. 7.14. FEES. Requires the council in consultation with the board to charge and collect fees in amounts necessary to cover its cost of operating and administering its duties and functions under this subchapter. Requires the council to pay and otherwise compensate the board for any and all of its expenses and services rendered on behalf of the council.

SECTION 2. Requires the council to study the feasibility of adding additional health care providers to credentials verification services that it provides. Requires the study to include a cost estimate and phase in requirements that may be necessary. Requires the council to report to the speaker of the house and to the lt. governor, no later than December 1, 2000.

SECTION 3. Requires the council to appoint a task force no later than January 5, 2000 to develop procedures to expand the standardized credentials verification program to include office site visits and medical chart reviews. Provides that the Task Force will report back to the council, no later than December 1, 2000, and the council to report to the speaker of the house and to the lt. governor by December 31, 2000.

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Requires the council to make available the credentials reports required by this Act starting no later than July 1, 2000.

SECTION 6. Emergency clause.