BILL ANALYSIS

Senate Research Center   C.S.S.B. 1618
                                                                                                        By: Cain
                                                                                                 Health Services
                                                                                                       4/28/1999
                                                                                   Committee Report (Substituted)

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. C.S.S.B. 1618 would establish a centralized credentialing verifications service built to store physician data information.

PURPOSE

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

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Sets forth the legislature's recognition of the importance of certain credentialing activities regarding physicians and the intent that a mandatory credential collection program be established without the need for duplication.

SECTION 2. Amends Article 4495b, V.T.C.S., (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) 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. Provides that the physician is not required to resubmit the initial data, once the data is submitted to the board, when applying for practice privileges with a health care entity; however, the physician is responsible for providing to the board within 60 days, any corrections, updates, and modifications to his or her data, to ensure current data. Requires a physician to update annually his or her data on a form prescribed by the board, in addition, if no data has been reported. Requires the board, 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 board 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 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. 7.03. AVAILABILITY OF DATA COLLECTED. Requires the board 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 this information to be made available within 15 business days.

Sec. 7.04. 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 board for items the board is designated or accepted as a primary source by a national accreditation organization. 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. Prohibits a state agency, from collecting or attempting to collect duplicate data from any individual physician, if the information is already available from the board effective September 1, 1999. 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. 7.05. LIABILITY. Provides that no civil, criminal, or administrative action may be instituted, and there shall be no liability, against any health care entity or its designated credentials verification organization because of the health care entity's or organization's reliance on any data obtained from the board under this subchapter.

Sec. 7.06. REVIEW. Requires the board to provide the practitioner up to 15 business 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. Requires any changes, comments, or clarifications to be noted in the core credentials data. Requires the board to notify to notify the physician of any subsequent changes to the data if a change is 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. Authorizes 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, or stored by the board under this subchapter is proprietary information and is privileged and confidential and cannot be released, including by discovery and subpoena, except as provided by this subchapter.

Sec. 7.09. USE OF INDEPENDENT CONTRACTOR. Authorizes the board to employ an independent contractor to maintain the information. Requires any agreement between the board and the 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 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. 7.11. FEES. Requires the board to charge and collect fees only in amounts necessary to recover the cost of operating and administering its duties and functions under this subchapter. Authorizes the board to waive a 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.

SECTION 3. Requires the board to implement the program under Article 4495b, V.T.C.S., only if the legislature appropriates money specifically for that purpose. Authorizes the board to implement the credential verification program using other appropriations, gifts, grants, or donations for that purpose, if the legislature does not make the appropriation, but is not required to implement the program.

SECTION 4. Requires the board to make available the reports not sooner than September 1, 2001. Provides that a health care entity is not required to use the board's core credentials data until the data is

available from the board designated for items the board is designated or accepted as a primary source by a national accreditation organization.

SECTION 5.   Effective date: September 1, 1999.

SECTION 6.   Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Sets forth the recognition and intent to establish a credentials collection program.

Redesignates proposed SECTION 1 as SECTION 2.

SECTION 2.

Amends Section 7.01, Article 4495b, V.T.C.S., to strike proposed definitions for "council," "credentialing," "credentialing verification organization," "board," "Drug Enforcement Administration certification," "hospital affiliations," "licensure core credentials data," "national accrediting organization," "primary source verification," "professional training," "recredentialing," "secondary source verification," and "specialty board verification." Makes conforming changes.

Amends Section 7.02, Article 4495b, V.T.C.S., to require the State Board of Medical Examiners, rather than a proposed Credentials Verification Council, to administer a standardized credentials verification program. Delete provisions that prohibit anything in this section to be construed to restrict access to the National Practitioner Data Bank. Makes conforming changes.

Amends Section 7.03, Article 4495b, V.T.C.S., to delete provisions that require a charge to a health care entity or its designated credentials verification organization of a reasonable fee to access all data it maintains on physicians. Makes conforming changes.

Amends Section 7.04, Article 4495b, V.T.C.S., to delete rulemaking authority, to add elements to the data set, and to change the effective date by which a state agency may not collect data already available at the board from July 1, 2002, to September 1, 1999. Makes conforming changes.

Amends Section 7.05, Article 4495b, V.T.C.S., to include a designated credentials verification organization in a protection from certain liability. Makes conforming changes.

Amends Section 7.06, Article 4495b, V.T.C.S., to change the number of data the board must provide a practitioner to review the data prior to its initial release, from 30 days to 15 business days. Sets forth procedures for noting changes. Authorizes a physician to request to review the data collected. Makes conforming changes.

Amends Section 7.07, Article 4495b, V.T.C.S., to make conforming changes.

Amends Section 7.08, Article 4495b, V.T.C.S., to include protection against discovery and subpoena against release of the received information. Deletes a provision that the information received collected or stored is not subject to the Open Records Law, Chapter 552, Government Code.

Adds Section 7.09, Article 4495b, V.T.C.S., regarding use of independent contractor to maintain the information.

Amends Section 7.10, Article 4495b, V.T.C.S., to make conforming changes.

Amends Section 7.11, Article 4495b, V.T.C.S., to require the board to charge certain agencies only in certain amounts. Makes conforming changes.

Deletes proposed Sections 7.01, 7.02, 7.03, and 7.10, regarding findings and purpose, credentials verifications council, administration, and verification of credentials data.

Deletes proposed SECTIONS 2-3, regarding a feasibility study, and appointment deadlines for the task force.

SECTIONS 3-4.

Adds implementation requirements regarding the credentials program.

Redesignates SECTION 4 as SECTION 5.

SECTION 5.

Deletes proposed SECTION 5 requiring the council to make available the credentials by a certain date.