

BILL ANALYSIS

Senate Research Center
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S.B. 1143
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Business & Commerce
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DIGEST AND PURPOSE

Currently, all contracts between health maintenance organizations and physicians or other providers require credentialing. The initial credentialing process includes an application, verification of information, and a site visit. Texas has not updated the standards on credentialing health maintenance organizations to stay in line with the National Committee for Quality Assurance (NCQA). Medicaid and Medicare credentialing standards are based on NCQA standards. As proposed, S.B. 1143 applies NCQA standards for health maintenance organizations to move Texas requirements in line with national standards.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 20A.37, Insurance Code, to require the Texas Department of Insurance (department), in regard to a process for selection and retention of affiliated providers implemented and performed by a health maintenance organization (HMO) in accordance with this article, to:

- C not require site visits for initial credentialing to be performed by clinical personnel;
- C require an HMO to primary verify that a physician's license to practice, and other required certificates such as DPS, DEA, and Medicare, are valid and current at the time of initial credentialing and every recredentialing, but shall not be required to verify validity or currency of license or certificates during the interval between scheduled credentialing as required by National Committee for Quality Assurance (NCQA);
- C require that when an HMO is conducting site visits, including evaluation of the quality of encounter notes, the HMO will evaluate a site's accessibility, appearance, space, medical or dental record keeping practices, availability of appointment and confidentiality procedures but not the appropriateness of equipment;
- C not require that site visits be performed in the offices of high volume specialists;
- C not require that site visits be performed for recredentialing of any physician or provider;
- C not require the HMO to formally recredential physicians and providers more frequently than every three years;
- C conform regulations, except as otherwise required by law, governing credentialing to standards promulgated and periodically revised by NCQA.

SECTION 2. Effective date: September 1, 2001.