

## **BILL ANALYSIS**

Senate Research Center  
77R9923 AJA-F

C.S.S.B. 1143  
By: Carona  
Business & Commerce  
3/28/2001  
Committee Report (Substituted)

### **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. C.S.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 Chapter 20A, Insurance Code, by adding Section 39, as follows:

Sec. 39. CREDENTIALING OF PHYSICIANS AND PROVIDERS. (a) Requires rules adopted by the commissioner of insurance (commissioner) under Section 37 of this Act that relate to implementation and maintenance by a health maintenance organization (HMO) of a process for selecting and retaining affiliated physicians and providers to comply with this section and standards promulgated by the National Committee for Quality Assurance, to the extent those standards do not conflict with other laws of this state.

(b) Requires the commissioner to require an HMO to verify that a physician's license to practice medicine and any other certificate the physician is required to hold, including a certificate issued by the Texas Department of Public Safety, the federal Drug Enforcement Agency, or a certificate issued under the Medicare program, is valid as of the date of initial credentialing and on the date of each recredentialing.

(c) Requires the commissioner to require an HMO that conducts a site visit for the purpose of initial credentialing to evaluate during the visit a site's accessibility, appearance, space, medical or dental recordkeeping practices, availability of appointments, and confidentiality procedures. Prohibits the commissioner from requiring the HMO to evaluate the appropriateness of equipment during the site visit.

(d) Prohibits the commissioner from requiring certain actions from an HMO.

(e) Provides that this section does not preclude an HMO from performing a site visit of a physician or provider at any time for cause, including a complaint made by a member or another external complaint made to the HMO.

SECTION 2. Effective date: September 1, 2001.

## **SUMMARY OF COMMITTEE CHANGES**

SECTION 1. Amends As Filed S.B. 1143 by requiring rules adopted by the commissioner of insurance (commissioner) under Section 37 of this Act that relate to the implementation and maintenance by a health maintenance organization (HMO) of a process for selecting and retaining affiliated physicians and providers to comply with this section. Requires certain actions to be and prohibits certain actions from being performed by the commissioner, rather than the Texas Department of Insurance. Prohibits the commissioner from requiring that an HMO verify the validity of a license or certificate held by a physician other than as of the date of initial credentialing or recredentialing of the physician. Reformats proposed text to create Section 39, Chapter 20A, Insurance Code, rather than Section 20A.37(h), Insurance Code.

SECTION 2. No change.