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BILL ANALYSIS

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Senate Bills 1071 and 1072 (as introduced 1-31-08)
Sponsor: Senator Cameron S. Brown
Committee: Health Policy

Date Completed: 6-18-08

CONTENT

Senate Bill 1071 would amend the Public Health Code to do the following:

- **Require the Department of Community Health (DCH) to develop a uniform, electronic health care professional credentialing application.**
- **Require the DCH to make the application available free of charge to health insurers, health care corporations, health maintenance organizations (HMOs), and health facilities and agencies.**
- **Require those entities to use the uniform application when requiring a health care professional to undergo a credentialing process.**

Senate Bill 1072 would amend the Insurance Code to require all health insurers, health care corporations, HMOs, and credentialing intermediaries to use the proposed uniform electronic application when credentialing a health care professional.

The bills are tie-barred to each other.

Senate Bill 1071

Within nine months after the bill's effective date, the DCH would have to develop a uniform, standard, electronic health care professional credentialing application. In developing the application, the DCH would have to consult with health care professionals, health insurers, health care corporations, HMOs, and health facilities and agencies. The DCH would have to consider their reasonable requirements, including all of the following:

- Statutory credentialing requirements.
- The need to eliminate multiple proprietary credentialing applications.
- Providing an efficient, electronic, cost-effective health care professional database through which health care professionals could provide notice of changes in address, practice-related information, qualifications, and other pertinent information.
- Time frames within which entities requiring credentialing applications must respond to applications filed by health care professionals.
- Maintaining the confidentiality of credentialing information.
- The need for a health care professional to control the distribution of his or her credentialing application.

The DCH would have to make the application available free of charge to health insurers, health care corporations, HMOs, and health facilities and agencies. The Department also would have to make the application available on its internet website.

Within 365 days after the bill's effective date, a health insurer, health care corporation, HMO, or health facility or agency that required a health care professional to undergo a credentialing or recredentialing process, or the entity's credentialing intermediary, would have to use the application developed under the bill. This requirement would not apply to any credentialing or recredentialing that had been submitted before or on the bill's effective date.

("Credentialing intermediary" would mean a person to which a health insurer, health care corporation, HMO, or health facility or agency has delegated credentialing, recredentialing, or primary source verification process.)

The bill would not prevent a health insurer, health care corporation, HMO, health facility or agency, or credentialing intermediary from requesting information in addition to that contained in the credentialing application as long as any such request was made in writing or electronically and used a form for the health care professional to comply with the request that was separate from the credentialing application form.

A health insurer, health care corporation, HMO, health facility or agency, or credentialing intermediary could not charge a health care professional a fee for use or submission of the credentialing application or for completion of requests for additional information.

The DCH would have to review the standard credentialing application at least every five years, and could modify the contents and format as determined necessary and appropriate.

Senate Bill 1072

The bill would require all health insurers, health care corporations, HMOs, and credentialing intermediaries to use the uniform, standard, electronic health care professional credentialing application developed under Section 16285 of the Public Health Code (proposed by Senate Bill 1071), when credentialing or recredentialing a health care professional.

The bill would not prohibit a health insurer, health care corporation, HMO, or credentialing intermediary from requesting information in addition to that contained in the credentialing application as long as any such request was made in writing or electronically and used a form for the health care professional to comply with the request that was separate from the credentialing application form.

A health insurer, health care corporation, HMO, or credentialing intermediary could not charge a health care professional a fee for use or submission of the credentialing application or for completion of requests for additional information.

The bill would apply 365 days after its effective date, but would not apply to any credentialing or recredentialing that had been submitted before or on that date.

"Credentialing intermediary" would mean a person to which a health insurer, health care corporation, or HMO has delegated credentialing, recredentialing, or primary source verification process.

Proposed MCL 333.16285 (S.B. 1071)
Proposed MCL 500.2212c (S.B. 1072)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 1071

The bill would require the Department of Community Health to develop and make available a uniform electronic professional credentialing application, thus increasing State administrative costs to some degree. These costs potentially could be offset if a standard application were put into practice and inefficiencies and redundancies that can result from the use of multiple credentialing mechanisms were eliminated. Several other states have moved to a standardized electronic credentialing application in the hopes of streamlining the credentialing process and improving the collection and availability of relevant information.

Senate Bill 1072

The bill is not expected to have any significant fiscal impact on the State. Insurers, health care corporations, HMOs, and credentialing intermediaries could experience a mild increase in costs as a result of the proposed mandate.

Fiscal Analyst: Matthew Grabowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.