HEALTH CARE PROFESSIONAL CREDENTIALING VERIFICATION MODEL ACT

Table of Contents

Section 1. Title
Section 2. Purpose and Intent
Section 3. Definitions
Section 4. Applicability and Scope
Section 5. General Responsibilities of the Health Carrier
Section 6. Verification Responsibilities of the Health Carrier
Section 7. Health Care Professional's Right to Review Credentialing Verification Information
Section 8. Contracting
Section 9. Regulations
Section 10. Penalties
Section 11. Separability
Section 12. Effective Date

Section 1. Title

This Act shall be known and may be cited as the Health Care Professional Credentialing Verification Act.

Drafting Note: In some states existing statutes may provide the commissioner with sufficient authority to promulgate the provisions of this Act in regulation form. States should review existing authority and determine whether to adopt this model as an act or adapt it to promulgate as regulations.

Section 2. Purpose and Intent

This Act requires a health carrier to establish a comprehensive health care professional credentialing verification program to ensure that its participating health care professionals meet specific minimum standards of professional qualification. The standards set out in this Act address the initial credentialing verification and subsequent re-credentialing process.

Drafting Note: The health care professional credentialing verification process is separate and distinct from the process that a health carrier may go through in deciding which health care professionals it will select as participating providers. The credentialing verification requirements are designed to ensure minimum clinical competency. Health carriers may utilize separate or additional criteria in selecting those health care professionals who will be allowed to participate in the health carrier's various health benefit plans.

Section 3. Definitions

For purposes of this Act:

A. "Closed plan" means a managed care plan that requires a covered person to use participating providers under the terms of the managed care plan.

B. "Commissioner" means the commissioner of insurance.

Drafting Note: Use the title of the chief insurance regulatory official wherever the term "commissioner" appears. If jurisdiction of managed care organizations lies with some other state agency, or if dual regulation occurs, a state should add language referencing that agency to ensure the appropriate coordination of responsibilities.

C. "Covered person" means a policyholder, subscriber, enrollee or other individual participating in a health benefit plan.

D. "Credentialing verification" is the process of obtaining and verifying information about a health care professional, and evaluating that health care professional, when that health care professional applies to become a participating provider in a managed care plan offered by a health carrier.

E. "Facility" means an institution providing health care services or a health care setting, including but not limited to hospitals and other licensed inpatient centers, ambulatory surgical or treatment centers, skilled nursing centers, residential treatment centers, diagnostic, laboratory and imaging centers, and rehabilitation and other therapeutic health settings.

F. "Health benefit plan" means a policy, contract, certificate or agreement entered into, offered or issued by a health carrier to provide, deliver, arrange for, pay for or reimburse any of the costs of health care services.

G. "Health care professional" means a physician or other health care practitioner licensed, accredited or certified to perform specified health services consistent with state law.

Drafting Note: States may wish to specify the licensed health professionals to whom this definition may apply (e.g., physicians, psychologists, nurse practitioners, etc.). This definition applies to individual health professionals, not corporate persons."

H. "Health care provider" or "provider" means a health care professional or a facility.

I. "Health care services" or "health services" means services for the diagnosis, prevention, treatment, cure or relief of a health condition, illness, injury or disease.

J. "Health carrier" means an entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for or reimburse any of the costs of health care services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation, or any other entity providing a plan of health insurance, health benefits or health services.

Drafting Note: States that license health maintenance organizations pursuant to statutes other than the insurance statutes and regulations, such as the public health laws, will want to reference the applicable statutes instead of, or in addition to, the insurance laws and regulations.

K. "Health indemnity plan" means a health benefit plan that is not a managed care plan.

L. "Managed care plan" means a health benefit plan that either requires a covered person to use, or creates incentives, including financial incentives, for a covered person to use health care providers managed, owned, under contract with or employed by the health carrier.

M. "Open plan" means a managed care plan other than a closed plan that provides incentives, including financial incentives, for covered persons to use participating providers under the terms of the managed care plan.

N. "Participating provider" means a provider who, under a contract with the health carrier or with its contractor or subcontractor, has agreed to provide health care services to covered persons with an expectation of receiving payment, other than coinsurance, copayments or deductibles, directly or indirectly from the health carrier.

O. "Primary verification" means verification by the health carrier of a health care professional's credentials based upon evidence obtained from the issuing source of the credential.

P. "Secondary verification" means verification by the health carrier of a health care professional's credentials based upon evidence obtained by means other than direct contact with the issuing source of the credential (e.g., copies of certificates provided by the applying health care professional).

Section 4. Applicability and Scope

This Act shall apply to health carriers that offer managed care plans.

Drafting Note: States may wish to consider accreditation by a nationally recognized private accrediting entity, with established and maintained standards, as evidence of meeting some or all of this Act's requirements. Under such an approach, the accrediting entity shall make available to the state its current standards to demonstrate that the entity's standards meet or exceed the state's requirements. The private accrediting entity shall file or provide the state with documentation that a managed care plan has been accredited by the entity. A health carrier accredited by the private accrediting entity would then be deemed to have met the requirements of the relevant sections of this Act where comparable standards exist.

Section 5. General Responsibilities of the Health Carrier

A. A health carrier shall:

(1) Establish written policies and procedures for credentialing verification of all health care professionals with whom the health carrier contracts and apply these standards consistently;

(2) Verify the credentials of a health care professional before entering into a contract with that health care professional. The medical director of the health carrier or other designated health care professional shall have responsibility for, and shall participate in, health care professional credentialing verification;

(3) Establish a credentialing verification committee consisting of licensed physicians and other health care professionals to review credentialing verification information and supporting documents and make decisions regarding credentialing verification;

(4) Make available for review by the applying health care professional upon written request all application and credentialing verification policies and procedures;

(5) Retain all records and documents relating to a health care professional's credentialing verification process for at least [insert number] years; and

(6) Keep confidential all information obtained in the credentialing verification process, except as otherwise provided by law.

B. Nothing in this Act shall be construed to require a health carrier to select a provider as a participating provider solely because the provider meets the health carrier's credentialing verification standards, or to prevent a health carrier from utilizing separate or additional criteria in selecting the health care professionals with whom it contracts.

Drafting Note: In order to simplify the application process for health care professionals who are applying to multiple health carriers, it is recommended that states develop a basic uniform application to be used by all health carriers in the state. The basic application may then be augmented by the individual health carriers to obtain additional information as required by each health carrier.

Section 6. Verification Responsibilities of the Health Carrier

A health carrier shall:

A. Obtain primary verification of at least the following information about the applicant:

(1) Current [license, certificate of authority or registration] to practice [health care profession] in [insert state] and history of licensure;

(2) Current level of professional liability coverage (if applicable);

(3) Status of hospital privileges (if applicable);

(4) Specialty board certification status (if applicable);

(5) Current Drug Enforcement Agency (DEA) registration certificate (if applicable);

(6) Graduation from [health care professional] school; and

(7) Completion of post graduate training (if applicable).

Drafting Note: Some of these items may not be pertinent for health care professionals who are not physicians. This list is not comprehensive, but is considered a minimum. Certain health care professionals may not be "licensed" by a state but may instead be "certified" or "accredited" to provide the health care service. States will need to modify the language to reflect the variation encountered in their jurisdictions.

Drafting Note: There are currently several national databases (e.g. the National Practitioner Data Bank operated by the Health Resources and Services Administration of the U.S. Department of Health and Human Services, the Physician Masterfile operated by the American Medical Association, and the Federation of State Medical Boards Physician Disciplinary Data Bank) which may provide supplemental verification of credentialing information as well as serve as a source for additional information on health professionals. There is substantial difference of opinion about the value of requiring a health carrier to query any or all of these databases. However, as the databases are constantly being upgraded and improved, it is suggested that any state considering adoption of these standards evaluate the benefit of requiring such an inquiry. In addition the health carrier may wish to inquire whether the applicant has ever been disqualified from participating in Medicare or Medicaid, or otherwise sanctioned under Medicare or Medicaid, or disqualified from or sanctioned under any other programs within the jurisdiction of the U.S. Department of Health and Human Services.

B. Obtain, subject to either primary or secondary verification at the health carrier's discretion:

(1) The health care professional's license history in this and all other states;

Drafting Note: The information required in the license history should include a chronological history of the health care professional's health care license, including dates and places of all applications for licensure, certification or registration, any action taken on the application, any challenges to licensure, certification or registration (state, Drug Enforcement Agency, etc.), the voluntary or involuntary relinquishment of a license or any other disciplinary action taken by the relevant state licensing board or agency.

(2) The health care professional's malpractice history; and

Drafting Note: The information required in the malpractice history should include any involvement in a professional liability action, but, at a minimum, any final judgment or settlement involving the individual health care professional.

(3) The health care professional's practice history.

Drafting Note: The information required in the practice history should include a chronological history of the health care professional's health care practice, including staff membership, practice privileges, professional associations, dates and places of practice, any action taken on practice privileges, and the voluntary or involuntary relinquishment, suspension, limitation, reduction or loss of staff membership or practice privileges.

C. At least every three (3) years obtain primary verification of a participating health care professional's:

(1) Current [license, certificate of authority or registration] to practice [health care profession] in [insert state];

(2) Current level of professional liability coverage (if applicable);

(3) Status of hospital privileges (if applicable);

(4) Current DEA registration certificate (if applicable); and

(5) Specialty board certification status (if applicable).

D. Require all participating providers to notify the health carrier of changes in the status of any of the items listed in this section at any time and identify for participating providers the individual to whom they should report changes in the status of an item listed in this section.

Section 7. Health Care Professional's Right to Review Credentialing Verification Information

A health carrier shall provide a health care professional the opportunity to review and correct information submitted in support of that health care professional's credentialing verification application as set forth below.

A. Each health care professional who is subject to the credentialing verification process shall have the right to review all information, including the source of that information, obtained by the health carrier to satisfy the requirements of this Act during the health carrier's credentialing process.

B. A health carrier shall notify a health care professional of any information obtained during the health carrier's credentialing verification process that does not meet the health carrier's credentialing verification standards or that varies substantially from the information provided to the health carrier by the health care professional, except that the health carrier shall not be required to reveal the source of information if the information is not obtained to meet the requirements of this Act, or if disclosure is prohibited by law.

C. A health care professional shall have the right to correct any erroneous information. A health carrier shall have a formal process by which a health care professional may submit supplemental or corrected information to the health carrier's credentialing verification committee and request a reconsideration of the health care professional's credentialing verification application if the health care professional feels that the health carrier's credentialing verification committee has received information that is incorrect or misleading. Supplemental information shall be subject to confirmation by the health carrier.

Section 8. Contracting

Whenever a health carrier contracts to have another entity perform the credentialing functions required by this Act or applicable regulations, the commissioner shall hold the health carrier responsible for monitoring the activities of the entity with which it contracts and for ensuring that the requirements of this Act and applicable regulations are met.

Section 9. Regulations

The commissioner may, after notice and hearing, promulgate reasonable regulations to carry out the provisions of this Act. The regulations shall be subject to review in accordance with [insert statutory citation providing for administrative rulemaking and review of regulations].

Section 10. Penalties

A violation of this Act shall [insert appropriate administrative penalty from state law].

Section 11. Separability

If any provision of this Act, or the application of the provision to any person or circumstance, shall be held invalid, the remainder of the Act, and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.

Section 12. Effective Date

This Act shall be effective [insert date].

Chronological Summary of Action (all references are to the Proceedings of the NAIC).

1996 Proc. 1st Quarter 29-30, 123, 625, 640, 657, 671-675 (adopted).