

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 604 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Linda Ames, Matt Stayner, John Terpening, Tim Walker
Date: 4/22/2013

Measure Description:

Requires Oregon Medical Board to establish database for purpose of providing to credentialing organizations information that is necessary to credential persons regulated by board.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Medical Board, Board of Nursing, Board of Medical Imaging, Board of Pharmacy, Board of Dentistry, Board of Chiropractic Examiners, Board of Examiners for Speech-Language Pathology and Audiology, Board of Licensed Professional Counselors and Therapists, Board of Licensed Social Workers, Board of Massage Therapists [Semi-Independent Agency], Board of Naturopathic Examiners, Board of Optometry [Semi-Independent Agency], Board of Psychologist Examiners, Occupational Therapy Licensing Board, Oregon Health Licensing Agency (OHLA)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

Senate Bill 604 requires the Oregon Health Authority to establish a statewide information/database system to provide credentialing organizations (e.g. hospitals and health plans) access to information necessary to credential a health care practitioner. The bill requires the Oregon Health Authority to convene, at least once a year, an advisory group to work with OHA on this credentialing information system. Members of the advisory group must represent credentialing organizations, health care practitioners, and health care regulatory boards. The bill provides for prepaid group practice health plans that serve at least 200,000 members in Oregon to file a petition to be exempt from the requirements of this bill. OHA must report on the implementation of this system to an interim committee of the legislature by October 1, 2014, and to the Legislative Assembly by February 1, 2014 and February 1, 2015.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to have a fiscal impact on the Oregon Health Authority. However, at this time, the full fiscal impact is indeterminate. Should this bill become law, the Oregon Health Authority is required to develop and manage an electronic information/database system that can be accessed 24 hours a day, seven days a week by credentialing organizations. The bill authorizes OHA to contract with a private entity to develop and administer this system. The bill requires OHA to issue a request for information/proposals (RFI/RFP) concerning the capabilities and costs related to this credentialing information system. Although OHA will use existing staff and resources to perform the preliminary requirements of the bill (including convening the advisory group, and developing the RFI/RFP), the agency anticipates needing dedicated staff to manage the ongoing contract. The cost of the contract to develop and implement the credentialing information system, as well as the cost to manage this contract will depend on the scope of the credentialing information system, including (1) the type of information that will be included in this online database; (2) the process by which information is submitted; (3) and the fee structure for users of this credentialing information system. The bill provides for these decisions to be decided by OHA in collaboration with the yet to be establish advisory group.

State health care regulatory boards

The fiscal impact of this bill on state health care regulatory boards is indeterminate. This fiscal assumes that any involvement in the advisory group to work with OHA on this credentialing information system can be absorbed with existing staff and resources. However, the bill authorizes OHA to require health care regulatory boards to provide or supplement the credentialing information needed to develop and administer the credentialing system. At this time, the type of information and the delivery format that will be required of health care regulatory boards cannot be predicted.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	5 - 0 - 0
Yeas:	Knopp, Kruse, Shields, Steiner Hayward, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	3/26, 4/18

WHAT THE MEASURE DOES: Directs Oregon Health Authority (OHA) to convene advisory work group. Directs OHA and advisory work group establish electronic credentialing program, adopt rules for operation of system, and meet annually. Provides definitions. Requires OHA submit report to interim Legislative Committees relating to health no later than October 1, 2014, and Legislative Assembly on or before February 1, 2014 and 2015.

ISSUES DISCUSSED:

- Current credentialing process and expense
- Current inefficiencies and duplicative process
- Oregon Health Administration Simplification recommendations
- Participants of 2012 Credentialing Work Group
- Impact of single source credentialing database
- Proposed amendment
- Importance for system to have flexibility

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: Currently, the Oregon Medical Board (OMB) licenses physicians and other health care providers. Hospitals, insurers and health plans credential providers to work in their institutions or provide care to patients on their plans. Most of the information that OMB staff verifies is then re-verified by credentialing staff.

Senate Bill 604-A directs the Oregon Health Authority to establish a single database that organizations seeking to credential providers must access to obtain the information. In addition, the bill is a product of a workgroup consisting of hospitals, insurers, and health care providers.

4/23/2013 10:18:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

A-Engrossed
Senate Bill 604

Ordered by the Senate April 24
Including Senate Amendments dated April 24

Sponsored by Senators BATES, STEINER HAYWARD

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires Oregon Medical Board to establish database for purpose of providing to credentialing organizations information that is necessary to credential persons regulated by board.]

Requires Oregon Health Authority to establish program for purpose of providing to credentialing organizations access to information that is necessary to credential or recredential health care practitioners.

Requires establishment of electronic database for purposes of submitting and accessing credentialing information.

Sets January 1, 2016, operative date for provisions related to establishment of program and electronic database.

Requires authority to report on implementation of electronic database and adoption of rules related to program to interim committees of Legislative Assembly related to health and Legislative Assembly on or before specified dates.

A BILL FOR AN ACT

Relating to credentialing of health care practitioners.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 7 of this 2013 Act are added to and made a part of ORS chapter 442.

SECTION 2. As used in sections 2 to 7 of this 2013 Act:

(1) "Credentialing information" means information necessary to credential or recredential a health care practitioner.

(2) "Credentialing organization" means a hospital or other health care facility, physician organization or other health care provider organization, coordinated care organization, business organization, insurer or other organization that credentials health care practitioners.

(3) "Health care practitioner" means an individual authorized to practice a profession related to the provision of health care services in this state for which the individual must be credentialed.

(4) "Health care regulatory board" means a board or other agency that authorizes individuals to practice a profession related to the provision of health care services for which the individual must be credentialed.

SECTION 3. (1)(a) The Oregon Health Authority, in consultation with the advisory work group convened under section 7 of this 2013 Act, shall establish a program for the purpose of providing to a credentialing organization access to information that is necessary to credential or recredential a health care practitioner.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) To fulfill the requirements of this subsection, the authority shall establish and oper-
2 ate an electronic system through which credentialing information may be submitted to an
3 electronic database and accessed. The system must operate and be accessible by credential-
4 ing organizations, health care practitioners and health care regulatory boards 24 hours a day,
5 seven days a week. The authority may contract with a private entity to ensure the effective
6 establishment and operation of the system.

7 (c) To the greatest extent practicable, the electronic system shall use the most accessible
8 and current technology available.

9 (2) In consultation with the advisory work group convened under section 7 of this 2013
10 Act, the authority shall adopt rules for the operation of the electronic system, including:

11 (a) Identification of the type of information that is necessary to credential or recreden-
12 tial each type of health care practitioner;

13 (b) Processes by which a health care practitioner or health care regulatory board submits
14 credentialing information to the authority or an entity that has entered into a contract with
15 the authority under subsection (1)(b) of this section;

16 (c) Processes, as required by recognized state and national credentialing standards, by
17 which credentialing information submitted under section 4 of this 2013 Act is verified;

18 (d) Processes by which a credentialing organization, health care practitioner or health
19 care regulatory board may electronically access the database;

20 (e) Processes by which a health care practitioner may attest that the credentialing in-
21 formation in the electronic database is current;

22 (f) The purposes for which credentialing information accessed by a credentialing organ-
23 ization or health care regulatory board may be used; and

24 (g) The imposition of fees, not to exceed the cost of administering sections 2 to 7 of this
25 2013 Act, on health care practitioners who submit credentialing information to the database
26 and credentialing organizations that access the database.

27 (3) All information, except for general information used for directories, as defined by the
28 authority by rule, that is received, kept and maintained in the database under this section
29 is exempt from public disclosure under ORS 192.410 to 192.505.

30 **SECTION 4.** (1)(a) As a condition of being authorized to practice a profession in this
31 state, a health care practitioner or designee must submit to the Oregon Health Authority,
32 an entity that has entered into a contract with the authority under section 3 (1)(b) of this
33 2013 Act or a health care regulatory board the credentialing information identified by the
34 authority under section 3 (2)(a) of this 2013 Act.

35 (b) A health care practitioner that, in good faith, submits credentialing information un-
36 der this subsection is immune from civil liability that might otherwise be incurred or im-
37 posed with respect to the submission of that credentialing information.

38 (2) The authority may require a health care regulatory board, after consulting with the
39 health care regulatory board, to provide or supplement the credentialing information identi-
40 fied by the authority under section 3 (2)(a) of this 2013 Act.

41 (3)(a) A credentialing organization shall obtain from the authority, or an entity that has
42 entered into a contract with the authority under section 3 (1)(b) of this 2013 Act, the cre-
43 dentialing information of the health care practitioner that is kept and maintained in the
44 electronic database described in section 3 of this 2013 Act. A credentialing organization may
45 not request credentialing information from a health care practitioner if the credentialing

1 information is available through the database.

2 (b) A credentialing organization that, in good faith, uses credentialing information pro-
3 vided under this subsection for the purposes established by the authority under section 3
4 (2)(e) of this 2013 Act is immune from civil liability that might otherwise be incurred or im-
5 posed with respect to the use of that credentialing information.

6 **SECTION 5.** A prepaid group practice health plan that serves at least 200,000 members
7 in this state and that has been issued a certificate of authority by the Department of Con-
8 sumer and Business Services may petition the Director of the Oregon Health Authority to
9 be exempt from the requirements of sections 2 to 7 of this 2013 Act. The director may award
10 the petition if the director determines that subjecting the health plan to sections 2 to 7 of
11 this 2013 Act is not cost-effective. If a petition is awarded under this section, the exemption
12 also applies to any health care facilities and health care provider groups associated with the
13 health plan.

14 **SECTION 6.** The Director of the Oregon Health Authority shall adopt rules necessary for
15 the administration of sections 2 to 7 of this 2013 Act.

16 **SECTION 7.** At least once per year, the Oregon Health Authority shall convene an advi-
17 sory group consisting of individuals who represent credentialing organizations, health care
18 practitioners and health care regulatory boards to review and advise the authority on the
19 implementation of sections 2 to 7 of this 2013 Act and on the standard credentialing appli-
20 cation used in this state.

21 **SECTION 8.** (1) To establish the electronic system described in section 3 of this 2013 Act,
22 the Oregon Health Authority shall issue a request for information to seek input from po-
23 tential contractors on capabilities and cost structures associated with the scope of work re-
24 quired to establish and maintain the electronic system. The authority shall use the results
25 of the request for information to create a formal request for proposals. No later than 150
26 business days after the close of the request for information, the authority shall issue a
27 formal request for proposals to establish and maintain the electronic system.

28 (2) The authority may enter into a contract under section 3 (1)(b) of this 2013 Act with
29 a private entity only if the private entity:

30 (a) Can demonstrate appropriate technical, analytical and clinical knowledge and experi-
31 ence to carry out the duties prescribed by section 3 of this 2013 Act; or

32 (b) Has a contract, or will enter into a contract, with another entity that meets the cri-
33 teria described in this subsection.

34 **SECTION 9.** The Oregon Health Authority shall report on the implementation of the
35 electronic system described in section 3 (1) of this 2013 Act and on the development of rules
36 to be adopted under section 3 (2) of this 2013 Act to:

37 (1) The interim committees of the Legislative Assembly related to health no later than
38 October 1, 2014; and

39 (2) The Legislative Assembly in the manner required by ORS 192.245:

40 (a) On or before February 1, 2014; and

41 (b) On or before February 1, 2015.

42 **SECTION 10.** Sections 8 and 9 of this 2013 Act are repealed on the date of the convening
43 of the 2016 regular session of the Legislative Assembly as specified in ORS 171.010.

44 **SECTION 11.** (1) Sections 2 to 5 of this 2013 Act become operative on January 1, 2016.

45 (2) The Oregon Health Authority may take any action necessary before the operative date

1 **specified in subsection (1) of this section to enable the authority to exercise, on and after the**
2 **operative date specified in subsection (1) of this section, all the duties, functions and powers**
3 **conferred on the authority by sections 2 to 5 of this 2013 Act.**

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