
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 6, 2013

Subject: SB 604 Relating credentialing of health care practitioners
Work Session Recommendation

Senate Bill 604 requires the Oregon Health Authority to develop and implement 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 measure previously had hearings in the Senate Committee on Health Care and Human Services on 3/26/2013, 4/18/2013, and 4/24/2013. A public hearing was held for the bill in this Subcommittee on 5/14/2013.

Staff measure summaries, the - A5 amendment, and fiscal impact statements are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

What the measure does

In addition developing and implementing the credentialing system, the bill requires the Oregon Health Authority to convene, at least once a year, an advisory group to work with OHA on this credentialing 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.

The amendment

The -A5 amendment specifies that nothing in the bill prevents a credentialing organization from requesting additional credentialing information from a health care practitioner.

Fiscal impact with the - A5 amendment

Passage of this bill will have an Other Funds impact to the Oregon Health Authority. The bill authorizes OHA to adopt rules for the operation of this credentialing system, including the imposition of fees on health care practitioners who submit credentialing information to the database and credentialing organizations that access the database. At this time the full fiscal impact of developing and implementing this credentialing system is indeterminate depending on the recommendations of the work group.

Recommendation

LFO recommends moving the - A5 amendment into the bill.

Motion

Motion: Senator/Representative_____ move the dash A5 amendment into SB 604.

Recommendation

LFO recommends the measure, as amended, be moved to the Full Committee.

Motion

Motion: Senator/Representative_____ move SB 604 with the dash A5 amendment to the Full Committee with a “do pass” recommendation as amended.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

SB 604-A5
(LC 3182)
5/14/13 (MBM/ps)

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 604**

1 On page 3 of the printed A-engrossed bill, line 1, after the period insert
2 “However, nothing in sections 2 to 7 of this 2013 Act shall prevent a cre-
3 dentialing organization from requesting additional credentialing information
4 from a health care practitioner for the purpose of completing credentialing
5 procedures for the health care practitioner used by the credentialing organ-
6 ization.”.

7

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 604 - A5**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: 5/21/2013

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.

The – A5 amendment specifies that the provisions of this bill do not prevent a credentialing organization from requesting additional credentialing information from a health care practitioner. The – A5 amendment does not change the indeterminate fiscal determination of this bill.

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 adopt rules for the operation of this credentialing system, including the imposition of fees on health care practitioners who submit credentialing information to the database and credentialing organizations that access the database. 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.

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.

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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.

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: 6/6/2013

WHAT THE MEASURE DOES: Directs Oregon Health Authority (OHA) to convene advisory work group. Directs OHA and advisory work group to meet annually, and to establish electronic credentialing program, adopt rules for operation of system. 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:

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EFFECT OF COMMITTEE AMENDMENT: The -A5 amendment specifies that nothing in the bill prevents a credentialing organization from requesting additional credentialing information from a health care practitioner.

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 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.