

**SB 604**

**Relating to the credentialing of health care practitioners**

---

Senate Bill 604 directs the Oregon Health Authority (OHA) to convene an advisory group to develop and implement a statewide electronic system to be used by hospitals and health plan providers to credential health care practitioners.

The current credentialing process varies greatly among health care entities, and health care providers are forced to submit the same credentialing information to multiple entities. As a result, the credentialing process can be time-consuming, cumbersome, redundant, and expensive for all parties involved. This bill establishes a single, centralized database for the credentialing process with the aim of eliminating administrative redundancy and reducing administrative costs.

The Oregon Health Authority is required to develop and manage this credentialing system that can be accessed 24 hours a day, seven days a week by credentialing organizations. The system will be fully supported by Other Funds garnered from the imposition of fees on health care practitioners who submit credentialing information to the database, and credentialing organizations that access the database.

The Subcommittee recommends SB 604 be amended and be reported out “do pass” as amended.

Joint Committee on Ways and Means

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

**Revenue:**

**Fiscal:** Fiscal statement issued

---

**Action:** Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Kim To, Legislative Fiscal Office

**Meeting Date:** June 12, 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:**

- Indeterminate Other Funds impact

**EFFECT OF COMMITTEE 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.

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 604 - B**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: 6/6/2013

---

**Measure Description:**

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.

**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 specifies that the provisions of this bill do not prevent a credentialing organization from requesting additional credentialing information from 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 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.

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

---