

HOUSE BILL NO. 773

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Commerce and Energy

on _____)

(Patron Prior to Substitute--Delegate Hodges)

A BILL to amend and reenact § 38.2-3407.10:1 of the Code of Virginia, relating to health insurance; provider credentialing; receipt of application.

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3407.10:1 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-3407.10:1. Reimbursement for services rendered during pendency of a participating provider's credentialing application.

A. As used in this section:

"Carrier" means an entity subject to the insurance laws and regulations of the Commonwealth and subject to the jurisdiction of the Commission that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services or mental health services, including an insurer licensed to sell accident and sickness insurance, a health maintenance organization, a health services plan, or any other entity providing a plan of health insurance, health benefits, health care services, or mental health services.

"Covered person" means a policyholder, subscriber, enrollee, participant, or other individual covered by a health benefit plan.

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

"Mental health professional" has the meaning ascribed thereto in § 54.1-2400.1.

"Mental health services" means benefits with respect to items or services provided by mental health professionals for mental health conditions as defined under the terms of a health benefit plan.

26 "Network" means a group of participating providers who provide health care services under the
27 carrier's health benefit plan that requires or creates incentives for a covered person to use the participating
28 providers.

29 "New provider applicant" means a physician, mental health professional, or other provider who
30 has submitted a completed credentialing application to a carrier.

31 "Other provider" means a person, corporation, facility, or institution licensed by the
32 Commonwealth under Title 32.1 or 54.1 to provide health care or professional health-related services on
33 a fee basis.

34 "Participating mental health professional" means a mental health professional who is managed,
35 under contract with, or employed by a carrier and who has agreed to provide health care services to covered
36 persons with an expectation of receiving payments, other than coinsurance, copayments, or deductibles,
37 directly or indirectly from the carrier.

38 "Participating other provider" means an other provider who is managed, under contract with, or
39 employed by a carrier and who has agreed to provide such health care or professional services to covered
40 persons with an expectation of receiving payments, other than coinsurance, copayments, or deductibles,
41 directly or indirectly from the carrier.

42 "Participating physician" means a physician who is managed, under contract with, or employed by
43 a carrier and who has agreed to provide health care services or mental health services to covered persons
44 with an expectation of receiving payments, other than coinsurance, copayments, or deductibles, directly
45 or indirectly from the carrier.

46 "Participating provider" means a participating physician, participating mental health professional,
47 or participating other provider.

48 "Physician" means a doctor of medicine or osteopathic medicine holding an active license from
49 the Board of Medicine.

50 B. A carrier that credentials the physicians, mental health professionals, or other providers in its
51 network shall establish reasonable protocols and procedures for reimbursing new provider applicants,
52 within 30 days of being credentialed by the carrier, for health care services or mental health services

53 provided to covered persons during the period in which the applicant's completed credentialing application
54 is pending. At a minimum, the protocols and procedures shall:

55 1. Apply only if the new provider applicant's credentialing application is approved by the carrier;

56 2. Permit reimbursement to a new provider applicant for services rendered from the date the new
57 provider applicant's completed credentialing application is received for consideration by the carrier;

58 3. Notwithstanding the provisions of subdivision 1 or 4, if the carrier accepts applications through
59 an online credentialing system, require the carrier to recognize notification to a new provider applicant
60 through the online credentialing system that the provider has submitted and attested to the application as
61 notice by the carrier that the application is received. If the carrier does not accept applications through an
62 online credentialing system, the carrier shall be required, within 10 days of receiving an application, to
63 provide notification to the new provider applicant either by mail or electronic mail, as selected by the
64 applicant, that the application was received;

65 4. Apply only if a contractual relationship exists between the carrier and the new provider applicant
66 or entity for whom the new provider applicant is employed or engaged; and

67 ~~4.5.~~ Require that any reimbursement be paid at the in-network rate that the new provider applicant
68 would have received had he been, at the time the covered health care services were provided, a credentialed
69 participating provider in the network for the applicable health benefit plan.

70 C. Nothing in this section shall require reimbursement of the new provider applicant-rendered
71 services that are not benefits or services covered by the carrier's health benefit plan.

72 D. Nothing in this section requires a carrier to pay reimbursement at the contracted in-network rate
73 for any covered health care services or mental health services provided by the new provider applicant if
74 the new provider applicant's credentialing application is not approved or the carrier is otherwise not willing
75 to contract with the new provider applicant.

76 E. Payments made or retroactive denials of payments made under this section shall be governed
77 by § 38.2-3407.15.

78 F. If a payment is made by the carrier to a new provider applicant or any entity that employs or
79 engages such new provider applicant under this section for a covered service, the patient shall only be

80 responsible for any coinsurance, copayments, or deductibles permitted under the insurance contract with
81 the carrier or participating provider agreement with the physician, mental health professional, or other
82 provider. If the new provider applicant is not credentialed by the carrier, the new provider applicant or
83 any entity that employs or engages such physician, mental health professional, or other provider shall not
84 collect any amount from the patient for health care services or mental health services provided from the
85 date the completed credentialing application was submitted to the carrier until the applicant received
86 notification from the carrier that credentialing was denied.

87 G. New provider applicants, in order to submit claims to the carrier pursuant to this section, shall
88 provide written or electronic notice to covered persons in advance of treatment that they have submitted
89 a credentialing application to the carrier of the covered person, stating that the carrier is in the process of
90 obtaining and verifying the following pursuant to credentialing regulations:

91 "Notice of Provider credentialing and re-credentialing.

92 Your health insurance carrier is required to establish and maintain a comprehensive credentialing
93 verification program to ensure that its physicians, mental health professionals, and other providers meet
94 the minimum standards of professional licensure or certification. Written supporting documentation for
95 (i) physicians, (ii) mental health professionals who have completed their residency or fellowship
96 requirements for their specialty area more than 12 months prior to the credentialing decision, or (iii) other
97 providers shall include:

- 98 1. Current valid license and history of licensure or certification;
- 99 2. Status of hospital privileges, if applicable;
- 100 3. Valid U.S. Drug Enforcement Administration certificate, if applicable;
- 101 4. Information from the National Practitioner Data Bank, as available;
- 102 5. Education and training, including postgraduate training, if applicable;
- 103 6. Specialty board certification status, if applicable;
- 104 7. Practice or work history covering at least the past five years; and
- 105 8. Current, adequate malpractice insurance and malpractice history covering at least the past five
106 years.

