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HOUSE BILL NO. 139

Offered January 10, 2018

Prefiled December 19, 2017

A *BILL to amend the Code of Virginia by adding a section numbered 38.2-3407.10:1, relating to reimbursement of a physician for services rendered during the period in which a credentialing application is pending before a health insurance carrier.*

 Patron—Head

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-3407.10:1 as follows:

§ 38.2-3407.10:1. Reimbursement for services rendered during pendency of physician'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, 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, or health care 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.

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

"New provider applicant" means a physician who has submitted a completed credentialing application to a carrier.

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

"Physician" means a physician licensed in Virginia to practice medicine.

B. A carrier that credentials the physicians in its network shall establish reasonable protocols and procedures for reimbursing new provider applicants for health care services provided to covered persons during the period in which the applicant's completed credentialing application is pending. At a minimum, the protocols and procedures shall:

1. Apply only if the physician's credentialing application is approved by the carrier;
2. Permit physician reimbursement for services rendered from the date the physician's completed credentialing application is received for consideration by the carrier;
3. Apply only if a contractual relationship exists between the carrier and the physician or the group or facility for whom the physician works;
4. Require that any reimbursement be paid at the in-network rate that the physician would have received had he been, at the time the covered health care services were provided, a credentialed participating physician in the network for the applicable health benefit plan; and
5. Require that any reimbursement paid to the physician be retroactively recouped or rescinded if the physician's credentialing application is denied.

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

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

E. A carrier may require a medical group practice of participating physicians to refund any reimbursement moneys paid by the carrier for health care services provided by a new provider applicant who is a member of the medical group practice whose credentialing approval was obtained by fraud.

F. A medical group practice of participating physicians shall not collect from a covered person any

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59 *amount for health care services provided by a new provider applicant who is a member of the medical*
60 *group practice if the new provider applicant's credentialing application is not approved or any amount*
61 *is refunded to a carrier under subdivision B 5.*