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**HOUSE BILL NO. 822**

Offered January 8, 2020

Prefiled January 7, 2020

*A BILL to amend and reenact § 38.2-3407.10:1 of the Code of Virginia, relating to health insurance; reimbursement for services rendered during pendency of credentialing application.*

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 Patron—Head
 

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 Referred to Committee on Labor and Commerce
 

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**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.

"Network" means a group of participating ~~physicians or mental health professionals~~ *providers* 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 or mental health professionals~~ *providers*.

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

"Other provider" means a person, corporation, facility, or institution licensed by the Commonwealth to provide health care or professional services as a physician or hospital, dentist, pharmacist, registered nurse or licensed practical nurse or person who holds a multistate privilege to practice such nursing under the Nurse Licensure Compact, nurse practitioner, optometrist, podiatrist, physician assistant, chiropractor, physical therapist, physical therapy assistant, clinical psychologist, clinical social worker, professional counselor, licensed marriage and family therapist, licensed dental hygienist, health maintenance organization, or emergency medical care attendant or technician who provides services on a fee basis.

"Participating mental health professional" means a mental health professional 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.

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

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

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

B. A carrier that credentials the physicians ~~or~~, mental health professionals, *or other providers* in its network shall establish reasonable protocols and procedures for reimbursing new provider applicants,

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59 ~~after~~ *within 15 days of* being credentialed by the carrier, for health care services or mental health  
60 services provided to covered persons during the period in which the applicant's completed credentialing  
61 application is pending. At a minimum, the protocols and procedures shall:

- 62 1. Apply only if the new provider applicant's credentialing application is approved by the carrier;
- 63 2. Permit reimbursement to a new provider applicant for services rendered from the date the new  
64 provider applicant's completed credentialing application is received for consideration by the carrier;
- 65 3. 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. 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  
69 credentialed participating ~~physician or mental health professional~~ *provider* in the network for the  
70 applicable health benefit plan.

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

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

77 E. Payments made or retroactive denials of payments made under this section shall be governed by  
78 § 38.2-3407.15.

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

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

92 "Notice of Provider credentialing and re-credentialing.

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

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

108 Your health insurance carrier is in the process of obtaining and verifying the above information in  
109 order to determine if your physician ~~or~~, mental health professional, *or other provider* will be  
110 credentialed or not."

111 H. The provisions of this section shall not apply to coverages issued by a Medicare Advantage plan,  
112 but shall apply to health maintenance organizations that issue coverage pursuant to Title XIX of the  
113 Social Security Act, 42 U.S.C. § 1396 et seq. (Medicaid).

114 I. The Commission shall have no jurisdiction to adjudicate individual controversies arising out of this  
115 section.