

SUBJECT: Requiring HMOs to verify physicians' credentials

COMMITTEE: Insurance — committee substitute recommended

VOTE: 5 ayes — Smithee, G. Lewis, Moreno, Olivo, Seaman

0 nays

4 absent — Eiland, Averitt, Burnam, Thompson

SENATE VOTE: On final passage, April 5 — 30-0

WITNESSES: For — Leah Rummel, Texas Association of Health Plans

Against — None

DIGEST: CSSB 1143 would require a health maintenance organization (HMO) that contracted with a physician to verify the physician's credentials, including the license to practice medicine, to ensure that they were valid. This requirement would apply both to an initial contract and to a renewal, but would not be required more than once every three years or during the course of a contract.

An HMO that conducted a site visit for initial credentialing would have to evaluate the site's accessibility, appearance, space, medical or dental recordkeeping practices, availability of appointments, and confidentiality procedures but could not be required to evaluate the appropriateness of equipment. An HMO could be required to use clinical personnel to perform the site review only if the site visit included a clinical review. The bill would not preclude an HMO from performing a site visit at other times in response to complaints or other causes.

The insurance commissioner would have to adopt a standard form for use by public or private hospitals, HMOs, and other insurers in credentialing physicians. The commissioner would have to consider adopting any credentialing application form used widely in Texas. The State Board of Medical Examiners would have to study the establishment of a credentials

verification system and to report its legislative recommendations to the governor, lieutenant governor, and House speaker by January 1, 2003.

The bill would take effect September 1, 2001.

**SUPPORTERS  
SAY:**

SB 1143 would ensure that physicians' credentials are current before they contract with an HMO. By producing a list of physicians with whom it has contracts, an HMO directs patients to those physicians' services. Patients should be assured that the physicians to whom an HMO sends them have current credentials.

The bill would not place undue hardship on physicians or insurers. Because the bill would direct the HMO to check the physician's license upon initial contract and renewal, physicians would not need to provide information, and the HMO would not need to verify it, more than once every three years.

**OPPONENTS  
SAY:**

SB 1143 would legislate a practice that HMOs already should be following under current law. HMOs have a responsibility to establish and maintain a viable network of physicians, as directed by the Texas HMO Act. The state does not need to mandate that HMOs check physicians' credentials.

**NOTES:**

The committee substitute changed the Senate engrossed version by adding the directives to the insurance commissioner to adopt a standard form for verifying physicians' credentials and to the State Board of Medical Examiners to study establishment of a verification program.