

1 State of Arkansas *As Engrossed: S3/17/15 S3/26/15*

2 90th General Assembly

# A Bill

3 Regular Session, 2015

SENATE BILL 934

4

5 By: Senator Bledsoe

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## For An Act To Be Entitled

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AN ACT TO IMPROVE THE INSURANCE PANEL PARTICIPATION

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PROCESS FOR HEALTHCARE PROVIDERS; AND FOR OTHER

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PURPOSES.

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## Subtitle

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TO IMPROVE THE INSURANCE PANEL

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PARTICIPATION PROCESS FOR HEALTHCARE

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PROVIDERS.

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 *SECTION 1. Arkansas Code § 23-99-411, concerning processing*

22 *applications of providers, is amended to read as follows:*

23 *23-99-411. Processing applications of providers.*

24 *(a)(1)(A) Healthcare insurers shall establish mechanisms to ensure*  
25 *timely processing of requests for participation or renewal by providers and*  
26 *in making decisions that affect participation status.*

27 *(B) These mechanisms shall include, at a minimum,*  
28 *provisions for the provider to receive a written statement of reasons for the*  
29 *healthcare insurer's denial of a request for initial participation or*  
30 *renewal.*

31 *(2)(A) Healthcare insurers shall make a decision within:*

32 *(i) ~~Ninety (90)~~ Sixty (60) calendar days from the*

33 *date of submission of a completed application as defined by rule of the*

34 *Insurance Commissioner for participation or a request for renewal by a*

35 *physician licensed under the Arkansas Medical Practices Act, § 17-95-201 et*

36 *seq., § 17-95-301 et seq., and § 17-95-401 et seq.; and*



1 (ii) One hundred eighty (180) calendar days from the  
2 date of submission of a completed application as defined by rule of the  
3 commissioner for participation or a request for renewal by any other  
4 provider.

5 (B) However, when a physician's credentials are verified  
6 through the Arkansas State Medical Board's Centralized Credentials  
7 Verification Service under § 17-95-107, the ~~ninety (90)~~ sixty (60) days  
8 specified under subdivision (a)(2)(A)(i) of this section is tolled from the  
9 date an order is received by the Centralized Credentials Verification Service  
10 from the healthcare insurer until the date the healthcare insurer receives  
11 notification by the Centralized Credentials Verification Service that the  
12 file is complete and available for retrieval.

13 (C)(i) A healthcare insurer shall provide written  
14 acknowledgement to a provider within ten (10) days of the insurer's receipt  
15 of an application.

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17 (ii)(a) Upon receipt of an application, a healthcare  
18 insurer shall review the application to determine if the application is  
19 complete.

20 (b) If the application is incomplete, a  
21 healthcare insurer shall notify the applicant provider in writing within  
22 fifteen (15) calendar days that the application is incomplete.

23 (c) The notice shall include a list of the  
24 items required for the application to be complete.

25 (d) If the healthcare insurer does not send  
26 the notice within the required timeframe, the application shall be deemed  
27 complete.

28 (iii) If the information provided by ~~the initial a~~  
29 complete application, the healthcare insurer's investigation, or the  
30 Centralized Credentials Verification Service requires the healthcare insurer  
31 to collect more detailed information from the provider to fairly and  
32 responsibly process the application, the time specified under subdivision  
33 (a)(2)(A)(i) of this section is tolled, and the application is suspended from  
34 the date a written request for the information is sent to the provider until  
35 the request is fully and completely answered and sent to the healthcare  
36 insurer by the provider.

1                   ~~(ii)~~(iv) If application information specified under  
2 subdivision (a)(2)(C)(ii) of this section is missing and not received within  
3 ninety (90) days of notification by the healthcare insurer or if the request  
4 is not fully answered within ninety (90) days of the date it was sent, the  
5 healthcare insurer, in its discretion, may treat the application as abandoned  
6 and deny it.

7                   ~~(iii)~~(v) The request and response under this section  
8 shall be sent by regular mail or other means of delivery as may be allowed by  
9 rules adopted by the commissioner.

10                   (3)(A) If a physician is already credentialed by the healthcare  
11 insurer but changes employment or ~~changes~~ location, joins a new group or  
12 clinic, or opens an additional location, the healthcare insurer shall only  
13 require the submission of such additional information, if any, as is  
14 necessary to continue the physician's credentials based upon the changed  
15 employment, ~~or~~ location, new group or clinic, or additional location.

16                   (B) The healthcare insurer shall not require a new  
17 application or recredentialing application due solely to the changes listed  
18 in subdivision (a)(3)(A) of this section.

19                   (C) Any change listed in subdivision (a)(3)(A) of this  
20 section shall be reflected within the healthcare insurer's system within  
21 thirty (30) calendar days of written notification by the physician of the  
22 change.

23                   (4) Healthcare insurers shall promptly notify providers:

24                   (A) Of any delay in processing applications; and

25                   (B) The reasons for a delay in processing applications.

26                   (5)(A) A healthcare insurer shall notify a physician in writing  
27 at least ninety (90) days before the deadline to submit a recredentialing  
28 application.

29                   (B)(i) The healthcare insurer shall give the physician  
30 written notice at least forty-five (45) calendar days prior to terminating  
31 the physician for failure to submit a recredentialing application.

32                   (ii) If the physician submits the recredentialing  
33 application during the forty-five-day period, the termination shall not take  
34 effect.

35                   (C) During the forty-five-day period, the healthcare  
36 insurer shall not represent to the policyholder, plan members, or the general

1 public that the physician has been or will be terminated from the network  
2 unless the termination is for some reason other than failure to obtain  
3 recredentialing.

4 (D) If a termination occurs for any reason, the healthcare  
5 insurer shall formally notify the physician in writing of the effective date  
6 of the termination and the basis for the termination.

7 (6) For payment purposes, a healthcare insurer shall treat an  
8 applicant physician as a participating physician from the date of submission  
9 of a completed application once an applicant physician has been approved  
10 through an insurer's credentialing process.

11 (7) Written notice under this section may be provided by  
12 electronic means for a provider who supplies an electronic mailing address to  
13 the healthcare insurer.

14 (8) The commissioner may adopt rules to ensure that covered  
15 healthcare claims submitted by patients or their providers are not negatively  
16 affected by delays in processing participation applications.

17 (9) In addition to any legal remedies or actions that may be  
18 brought against a healthcare insurer by the commissioner, a fine of one  
19 thousand dollars (\$1,000) per day shall be imposed for each day exceeding the  
20 sixty (60) days under subdivision (a)(2)(A)(i) of this section.

21 ~~(6)~~(10) The commissioner shall adopt rules to implement this  
22 subsection.

23 ~~(b) Nothing in this~~ This section shall does not prevent a provider or  
24 a healthcare insurer from terminating a participating provider contract in  
25 accordance with its terms.

26  
27 /s/Bledsoe

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30 **APPROVED: 04/07/2015**