

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**  
4 **By: Senator Ross**

# A Bill

**ACT 1066 OF 1995**  
**SENATE BILL 760**

## For An Act To Be Entitled

"AN ACT TO AUTHORIZE HEALTH CARE ORGANIZATIONS TO USE  
INFORMATION PROVIDED BY THE STATE MEDICAL BOARD FOR  
CREDENTIALING PURPOSES; AND FOR OTHER PURPOSES."

### Subtitle

"AN ACT TO AUTHORIZE HEALTH CARE  
ORGANIZATIONS TO USE INFORMATION  
PROVIDED BY THE STATE MEDICAL BOARD FOR  
CREDENTIALING PURPOSES."

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

SECTION 1. For purposes of this act:

(a) *"Accrediting organization" means an organization which awards accreditation to hospitals, managed care organizations, or other health care organizations, including but not limited to the Joint Commission on the Accreditation of Health Care Organizations and the National Committee on Quality Assurance.*

(b) *"Board" means the State Medical Board.*

(c) *"Credentialing organization" means a health care organization that uses a process to collect and verify information pursuant to licensure and accreditation rules and regulations concerning the professional background of the health care provider who is applying for practice privileges before allowing that provider to practice in affiliation with that organization and defining the type and extent of the provider's privileges in the credentialing organization.*

(d) *"Primary source verification procedure" means the procedure used by a credentialing organization to ensure the truth and accuracy of documents and information submitted to it by a provider who is applying for practice*

1 privileges with the credentialing organization.

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3 SECTION 2. The purpose of this act is to allow the State Medical Board  
4 to provide information to credentialing organizations.

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6 SECTION 3. (a) The board may provide to any credentialing organization  
7 any information the board collects concerning any person licensed by the board  
8 if the person authorizes release of the information.

9 (b) The board shall promulgate regulations establishing a credentialing  
10 information system and such regulations shall indicate the procedures for  
11 collection and release of credentialing information under this act.

12 (c) The board shall appoint a ten (10) member advisory group to assist  
13 it with the adoption of policies and regulations concerning the credentialing  
14 information system. Credentialing organizations shall have representation on  
15 the advisory group.

16 (d) Credentialing information furnished by the board to a credentialing  
17 organization shall be used solely for credentialing and the renewal of  
18 credentials.

19 (e) The board may enter into contractual agreements with users of the  
20 credentialing information system to define the type and form of information to  
21 be provided and to give users assurances of the integrity of the information  
22 collected.

23 (f) The board may charge credentialing organizations a reasonable fee  
24 for the use of the credentialing service. The fee shall be set in  
25 consultation with the advisory group and shall be set at such rate as will  
26 reimburse the board for the cost of maintaining the credentialing information  
27 system.

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29 SECTION 4. In lieu of testing information by its own primary source  
30 verification procedure, a credentialing organization may rely upon  
31 credentialing information from the board if the board certifies that the  
32 information provided by the board has been tested by the board's primary  
33 source verification procedure. No accrediting organization may require a  
34 credentialing organization to perform its own primary source verification or  
35 maintain copies of information provided by the board *if that credentialing*

1 organization utilizes the credentialing information and primary source  
2 verification services provided by the board.

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4 SECTION 5. Hospitals which utilize the credentialing information system  
5 offered by the State Medical Board shall not attempt to collect duplicate  
6 information from individual physicians or originating sources. The board may  
7 seek an injunction against any hospital violating or attempting to violate  
8 this section and shall be entitled to recover attorneys\_ fees and court costs  
9 involved in obtaining the injunction.

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11 SECTION 6. This act expires and shall become null and void on July 1,  
12 1999.

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14 SECTION 7. All provisions of this act of a general and permanent nature  
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 8. If any provision of this act or the application thereof to  
19 any person or circumstance is held invalid, such invalidity shall not affect  
20 other provisions or applications of the act which can be given effect without  
21 the invalid provision or application, and to this end the provisions of this  
22 act are declared to be severable.

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24 SECTION 9. All laws and parts of laws in conflict with this act are  
25 hereby repealed.

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27 SECTION 10. EMERGENCY. It is hereby found and determined by the  
28 General Assembly that the current credentialing information gathering system  
29 creates unnecessary duplications that add significant costs to the state\_s  
30 health care industry; that this act provides a collaborative approach to  
31 eliminate unnecessary duplication and save expenses, and that this act should  
32 go into effect immediately in order to more efficiently provide health care to  
33 the citizens of this state. Therefore, an emergency is hereby declared to  
34 exist and this act being necessary for the immediate preservation of the  
35 public peace, health and safety shall be in full force and effect from and

1 after its passage and approval.

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*/s/Ross*

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APPROVED: 4-10-95

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***As Engrossed: 3/21/95***

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