

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 817 Health Care Providers

**SPONSOR(S):** Gaetz

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Quality Subcommittee	12 Y, 0 N	Holt	O'Callaghan
2) Health Care Appropriations Subcommittee			
3) Health & Human Services Committee			

### SUMMARY ANALYSIS

This bill creates section 456.0125, F.S., establishing the Standardized Credentials Collection and Verification Program (program) within the Department of Health (DOH).

The bill contains the legislative intent for establishing the program and for designating an entity to act as a repository for the core credentials data of health care practitioners. The designated credentials collections and verification entity (CCVE) must enter into a contract with the DOH to implement the program and ensure that core credentials data is collected only once unless a correction, update, or modification to the data is required. Additionally, the bill provides that the DOH, health care entities, and health care practitioners must work cooperatively to ensure the integrity and accuracy of the program.

Participation in the program is mandatory for health care practitioners; insurance companies operating in accordance with chapter 624, F.S., that offer health insurance coverage under part VI of chapter 627, F.S.; health management organizations as defined in s. 641.19, F.S.; or any entity licensed under chapter 395, F.S. The bill provides for specific reporting requirements by health care practitioners to the CCVE and provides for disciplinary action for failure to meet those reporting requirements. The bill prohibits a health care entity from requesting core credentials data directly from the health care practitioner.

The bill defines the following terms: "accredited" or "certified," "core credentials data," "credential" or "credentialing," "credentials collection and verification entity," "health care entity," "health care practitioner," "national accrediting organization," "primary source verification," "professional training," and "specialty board certification."

The bill provides the DOH rulemaking authority to implement the provisions of the bill.

The bill appears to have an indeterminate, likely significant fiscal impact to the Medical Quality Assurance Trust Fund within the DOH and no fiscal impact to local governments.

The bill provides an effective date of July 1, 2013.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### *Standardized Credentials Collection and Verification*

Currently, the Division of Medical Quality Assurance (MQA) within the Department of Health (DOH) licenses and regulates medical doctors pursuant to ch. 458, F.S., and osteopathic physicians pursuant to ch. 459, F.S. Proof of state licensure as a physician is one of several credentials health care entities evaluate when deciding whether to grant staff appointments, reappointments, clinical privileges, etc., or enter into other contractual relationships with physicians. Currently, MQA verifies licensure and disciplinary history, but does not credential physicians.

Section 456.077, F.S., provides that citations may be issued when authorized by rule of the board<sup>1</sup> or the DOH. Rules are promulgated by the board or the DOH through the rulemaking process to identify violations that may be resolved by citation, including fines or other penalties to be imposed.

##### CoreSTAT

In 1998, a credentialing collection and verification program, which became known as the CoreSTAT, was created by legislative mandate to standardize the process for health care practitioners regulated by MQA.<sup>2</sup> However, on July 1, 2002, the legislative mandate was repealed and health care practitioners were no longer required to report core credentials data to the DOH.<sup>3</sup> By November 30, 2003, CoreSTAT was disabled and subscribers were no longer able to access the collected practitioner data.<sup>4</sup>

At the time the CoreSTAT program was created, it was used as an internal MQA program, and a work unit was established to manage the program. The credentialing process initially included medical doctors, osteopathic physicians, chiropractic physicians, and podiatric physicians, and allowed for the addition of other health care practitioners. But in 1999, CoreSTAT was expanded to include all health care practitioners and required the DOH to charge a fee to access the core credentials data.<sup>5</sup> Additionally, a thirteen-member Credentials Verification Advisory Council was created to assist with the development of guidelines for establishment of the standardized credentials verification program. In 2000, the Credentials Verification Advisory Council was repealed.<sup>6</sup>

Contracted vendors were also solicited to implement the statutory requirements of the CoreSTAT program. Over the four years it operated, the total cost of the CoreSTAT program was \$14,712,566 and the total revenues collected for the program was \$173,815. The CoreSTAT program was funded by the MQA Trust Fund.<sup>7</sup> Difficulty with implementing the system is believed to have been the reason for repeal.<sup>8</sup>

##### *Credential Verification Entities in Florida*

Currently, there are several credentialing entities utilized by health care facilities operating in Florida.

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<sup>1</sup> "Board" is defined in s. 456.001(1), F.S.

<sup>2</sup> Chapter 98-226, L.O.F.

<sup>3</sup> Department of Health, Changes to CoreSTAT, available at: <http://www.doh.state.fl.us/mqa/corestat/index.htm>, (last visited on Mar. 14, 2013).

<sup>4</sup> *Id.*

<sup>5</sup> Chapter 99-397, L.O.F.

<sup>6</sup> Chapters 2000-318 and 2000-153, L.O.F.

<sup>7</sup> Department of Health bill analysis for amendment 373656 for SB 966, dated March 13, 2013, on file with the House Health Quality Subcommittee staff.

<sup>8</sup> *Id.*

## Reptrax

Reptrax is a web driven software service that aids in the credentialing and monitoring of sales/service representatives in healthcare environments. It allows hospitals to enforce their policies throughout their vendor community, and for vendors to maintain compliance with those policies. Reptrax has over 6,500 vendor companies. Reptrax does 100% of the document management.<sup>9</sup> Currently, there are 107 hospitals using Reptrax in Florida.<sup>10</sup>

## Vendor Credentialing Service

Vendor Credentialing Service (VCS) is a third party credentialing provider. VCS is a web-based credentialing and compliance management program. The program credentials representatives and suppliers. The program can be deployed in a few hours and it is available to all hospitals at no cost. The VCS program is used by leading healthcare institutions nationwide. VCS partners include Group Purchasing Organizations (GPOs), multi-hospital systems, 1000+ bed hospitals, surgery centers, physician offices and offsite medical offices. Additionally, the VCS program is supported by suppliers nationwide and currently credentials thousands of suppliers and representatives.<sup>11</sup> Currently, there are 15 hospitals using VCS in Florida.<sup>12</sup>

## Vendormate

Vendormate bridges healthcare providers and suppliers to ensure both sides know more about who they are doing business with and who they should do business with. Vendormate leverages its vendor credentialing network to deliver software-as-a-service (SaaS) applications that give buyers and sellers increased transparency and information control as a foundation for collaborative and strategic relationships. Vendormate: manages vendor access and influence permissions, monitors sanction and financial details, and credentials all levels including entities, directors, and representatives.<sup>13</sup> Currently, there are 30 hospitals using Vendormate in Florida.<sup>14</sup>

## **Effects of Proposed Changes**

The bill creates a new section of law within ch. 456, F.S., which contains the core licensure provisions for health care practitioners regulated by the DOH. The bill requires the DOH to administer the Standardized Credentials Collection and Verification Program (program). The bill specifically requires the DOH to designate an entity to act as a repository for the core licensure data of health care practitioners and ensure that the information collected by an entity is requested only once of a health care practitioner. The bill defines the “credentials collection and verification entity (CCVE)” to be an organization controlled by a statewide association of Florida licensed physicians that has been in existence since July 1, 2003. Based on this definition, the ability for the DOH to designate a qualified entity is confined to a small pool of potential vendors.

The bill defines “health care practitioner” to mean any person licensed under: ch. 457, F.S., (acupuncture); ch. 458, F.S., (medicine); ch. 459, F.S., (osteopathic medicine); ch. 460, F.S., (chiropractic medicine); ch. 461, F.S., (podiatric medicine); ch. 462, F.S., (naturopathic medicine); ch. 463, F.S., (optometry); ch. 464, F.S., (nursing); ch. 465, F.S., (pharmacy); ch. 466, F.S., (dentistry and dental hygiene); ch. 467, F.S., (midwifery); parts I, II, III, V, X, XIII, and XIV of ch. 468, F.S., (speech-language pathology and audiology, nursing home administration, occupational therapy, respiratory therapy, dietetics and nutrition practice, athletic trainers, and orthotics, prosthetics, and pedorthics); ch. 478, F.S., (electrology or electrolysis); ch. 480, F.S., (massage therapy); parts III and IV of ch. 483, F.S., (clinical laboratory personnel or medical physics); ch. 484, F.S., (opticianry and hearing aid

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<sup>9</sup> Reptrax, About Reptrax, available at: <https://www.reptrax.com/> (last viewed March 25, 2013).

<sup>10</sup> Hospital Vendor Credentialing, A directory, available at:

<http://www.hospitalvendorcredentialing.com/state/stateList.cgi?state=Florida> (last viewed March 25, 2013).

<sup>11</sup> Vendor Credentialing Service, About Us, available at: <http://www.vcsdatabase.com/index.php> (last viewed March 25, 2013).

<sup>12</sup> *Supra* fn 10.

<sup>13</sup> Vendormate, Company: Overview, available at: [http://vendormate.com/company\\_overview.html](http://vendormate.com/company_overview.html) (last viewed March 25, 2013).

<sup>14</sup> *Supra* fn 10.

specialists); ch. 486, F.S., (physical therapy); ch. 490, F.S., (psychology); and ch. 491, F.S. (psychotherapy).<sup>15</sup>

The bill requires a health care practitioner to report all core credentials data to the CCVE and notify the CCVE within 45 days after any correction, update, or modification is made to any core credentials data. Core credentials data is defined to include the following verified primary source documents: professional education, professional training, licensure, current Drug Enforcement Administration certification, specialty board certification, Educational Commission for Foreign Medical Graduates certification, and any final report of disciplinary action. If a licensee or a person applying for initial licensure fails to report and update information to the CCVE, the DOH may: refuse to issue a license, or issue a citation and assess a fine pursuant to s. 456.077, F.S. Section 456.077, F.S., grants the board, or the DOH if there is no board, the authority to adopt rules to permit the issuance of citations. Thus, the cost to promulgate rules to issue a citation would vary by practice act.

The bill specifies that the following must participate in the program: a health care practitioner, an insurance company operating under the Florida Insurance Code that offers health insurance coverage under part VI of ch. 627, F.S., a health maintenance organization (HMO), a hospital, an ambulatory surgical center, or a mobile surgical facility. Moreover, the bill defines “health care entity,” to include:

- a health care facility licensed by ch. 395, F.S., which includes a hospital, ambulatory surgical center, or mobile surgical facility;
- an accredited medical school in the state; or
- an entity licensed by the Department of Insurance as a:
  - prepaid health plan;
  - HMO; or
  - An insurer that provides coverage for health care services through a network of health care providers or similar organizations licensed under chapters 627 (Insurance Rates and Contracts), 636 (Prepaid Limited and Discount Medical Plans), 641 (Health Care Service Programs) or 651 (Continuing Care Contracts).

The bill provides that a health care entity must use the CCVE to obtain core credentials data, to include corrections, updates, and modifications to the data, about any health care practitioner who may be considered for or renewing their membership, privileges, or participation with any plan or program operated by a health care entity. The bill provides that a health care entity may not request core credential data from the health care practitioner. The effect of the aforementioned prohibition is unclear, since the DOH has no legal oversight of a health care entity as defined by the bill.

The bill defines the following terms: “accredited” or “certified,” “core credentials data,” “credential” or “credentialing,” “credentials collection and verification entity,” “health care entity,” “health care practitioner,” “national accrediting organization,” “primary source verification,” “professional training,” and “specialty board certification.”

The bill provides the DOH with the necessary authority to adopt rules to develop and implement the program.

## B. SECTION DIRECTORY:

**Section 1.** Creates s. 456.0125, F.S., relating to Standardized Credentials Collection and Verification program for health care providers.

**Section 2.** Provides an effective date of July 1, 2013.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

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<sup>15</sup> Section 456.001(4), F.S.  
**STORAGE NAME:** h0817a.HQS  
**DATE:** 3/27/2013

None.

2. Expenditures:

The DOH will incur costs associated with rulemaking and the development and management of the CCVE program. The cost and workload impact is indeterminate at this time, yet anticipated to be substantial and similar to the cost and workload of the CoreSTAT program that was legislatively mandated in FY98-99.<sup>16</sup>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Health care entities and health care practitioners would be required to participate in the CCVE program. It is unclear how the costs, or to whom the program costs, will be assessed.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill provides the DOH with sufficient rulemaking authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

On line 71 of the bill, the reference to the "Department of Insurance" is outdated, and should be changed to reflect the proper reference to the "Office of Insurance Regulation."

On line 111 of the bill, the bill references the term "licensee," which is undefined in the newly created section of law. However, this term is defined in s. 456.001(6), F.S., to mean any person or entity issued a permit, registration, certificate, or license, including a provisional license by the DOH. The bill defines the term "health care practitioner" pursuant to s. 456.001(4), F.S., which is narrower in scope than the definition of "licensee." Thus, it is unclear if the intent is to capture the entire population of individuals who receive a license issued by the DOH or just licensed health care practitioners.

Line 112 of the bill states that the licensee or person must "report" and "update information," but does not specify to whom the licensee must report or what information is to be updated. It may be more appropriate to utilize the defined terms of the bill to require reporting to the "CCVE" and update "core credentials data."

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<sup>16</sup> *Supra* fn 7.

#### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES