

**STORAGE NAME:** h1543.hr.doc  
**DATE:** March 30, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
HEALTH REGULATION  
ANALYSIS**

**BILL #:** HB 1543 (PCB HR 01-06)  
**RELATING TO:** Health Care Practitioner Credentialing  
**SPONSOR(S):** Committee on Health Regulation, Representative Farkas, and others  
**TIED BILL(S):** None.

**ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:**

- (1) HEALTH REGULATION YEAS 10 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
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I. SUMMARY:

Section 456.047, Florida Statutes, sets forth the requirements for a standardized credentialing program for health care practitioners within the Department of Health. The intent of the program is found in s. 456.047(1), F.S., which, in pertinent part, states:

“Therefore, it is the intent of this section that a credentials collection program be established which provides that, once a health care practitioner’s core credentials data are collected, they need not be collected again, except for corrections, updates, and modifications thereto.”

The credentialing program originally included allopathic physicians, osteopathic physicians, chiropractic physicians, and podiatric physicians. During the 2000 session, this program was expanded to include advanced registered nurse practitioners.

The Department of Health and the entities using the credentialing system, known as CoreSTAT, have determined that there are certain elements currently required by statute to be included in the system that have hindered efficiencies rather than helped create efficiencies. Furthermore, issues have been raised regarding whether or not an entity accredited by a national accrediting organization may rely on the primary source verification procedure conducted by the department. Additional concerns have been raised that could be resolved by clarifying legislation.

This bill amends the credentialing law to address the concerns raised by the department and by the entities using the system, such as hospitals. This bill does not create any new fiscal impact on the state or private sector.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |   |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 456.047, Florida Statutes, sets forth the requirements for a standardized credentialing program for health care practitioners within the Department of Health. The program was authorized by the Legislature in 1998 following a 1997 study and has been amended each subsequent year as the program was implemented. Approximately \$10 million has been spent to date by the department to develop and implement this program. The estimated operating expenses are approximately \$4 million per year. The intent of the program is found in s. 456.047(1), F.S., which, in pertinent part, states:

"Therefore, it is the intent of this section that a credentials collection program be established which provides that, once a health care practitioner's core credentials data are collected, they need not be collected again, except for corrections, updates, and modifications thereto."

The credentialing program originally included only allopathic physicians licensed under chapter 458, F.S., osteopathic physicians licensed under chapter 459, F.S., chiropractic physicians licensed under chapter 460, F.S., and podiatric physicians licensed under chapter 461, F.S. However, during the 2000 session, this program was expanded to include advanced registered nurse practitioners licensed under section 464.012, F.S. All practitioners included in the credentialing system are first required to be part of the practitioner profiling program in which certain information about the practitioner is listed on the Internet and which requires the practitioner to be fingerprinted and background screened.

The Department of Health and the entities using the credentialing system, known as CoreSTAT, have determined that there are certain elements currently required by statute to be included in the system that have hindered efficiencies rather than helped create efficiencies. Furthermore, issues have been raised regarding whether or not an entity accredited by a national accrediting organization may rely on the primary source verification procedure conducted by the department. Additional concerns have been raised that could be resolved by clarifying legislation.

C. EFFECT OF PROPOSED CHANGES:

The bill clarifies that it is the intent of the Legislature that all involved parties should cooperatively work to ensure the integrity and accuracy of the program. The Department of Health anticipates

that the effect of this change will be that the integrity of the department's data files will be enhanced, increasing the value for users.

The bill deletes certain core data collected for the purposes of credentialing from the definition of "core credentials data." This subsection also specifies that the core data collected and provided by the department shall be primary source verified. The department asserts that the impact is to reduce the broad definition of core credentials data collected by the department to only those data elements that can be primary source verified, and to add value to the data and increase health care entities' ability to rely upon the data collected and verified by the department. Furthermore, it gives the department greater flexibility in adding additional core credentials data elements in the future, by granting rulemaking authority, so that yearly revisions to this law are not necessary.

This bill also expands the definition of "health care entity" for purposes of this program to include additional groups of providers licensed under chapters 627, 636, 641 and 651, Florida Statutes. The effect is to include organizations, such as preferred provider networks, that engage in credentialing activities, heretofore not included under the requirements of the law. The department has asserted that there are additional types of entities that should be included in this program. Moreover, the bill deletes the definition of "hospital and other institution affiliations" to conform to the deletion of these terms in the definition of "core credentials data."

Additionally, the bill provides a definition of "primary source verification" using terminology recommended by the department as that language currently used by accrediting organizations and by the industry. Lastly, the bill clarifies a health care entity's ability to rely upon verified credentialing information from the department in order to eliminate duplicative verification activities.

D. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Amends s. 456.047, F.S., relating to the standardized credentialing program for health care practitioners. See Effect of Proposed Changes section above.

**Section 2.** Provides an effective date of July 1, 2001.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

By reducing the core credentials elements to only those items that can be primary source verified by the department, the entities using this system will get a file that they do not have to primary source verify and that is considered complete for that particular practitioner. Entities may not have to access the department's file at the time of recredentialing a practitioner unless one of those elements has changed. This bill should reduce the cost of this program to the private sector.

D. FISCAL COMMENTS:

Notwithstanding the provisions of this proposed committee bill, the department proposed a budget cost-cutting measure for ongoing operations of the CoreSTAT system. The cost savings/efficiency proposal encompasses additional outsourcing of CoreSTAT operations, resulting in a projected cost savings of \$500,000 in expenses and reduction of 1 FTE at a cost savings of \$57,339.50.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The Department of Health is authorized to add additional core credential elements to the program through rulemaking if such element can be primary source verified by the department.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

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VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

Prepared by:

Staff Director:

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Wendy Smith Hansen, Senior Attorney

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