HEALTH POLICY AND ANALYTICS DIVISION
Kate Brown, Governor

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Testimony Narrative
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HB 2897: Prohibiting health benefit plans from requiring physicians to be credentialed if licensed by the Oregon Medical Board and in good standing

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Chair Greenlick and members of the Committee, my name is Susan Otter, and I am the Director of Health Information Technology for the Oregon Health Authority (OHA), and serve as the administrator for the Office of Health Information Technology which resides within OHA's Health Policy and Programs. I am here to present testimony today on House Bill (HB) 2897, and the -1 amendment, which prohibits health benefit plans from requiring physicians to meet credentialing requirements in addition to requirements imposed by the Oregon Medical Board (OMB). This bill will negatively impact health benefits plans and OHA's Oregon Common Credentialing Program (OCCP) if passed. I'd like to talk first about what the OCCP is, touch briefly on the progress OHA has made to date, and then identify the impacts of the HB 2897.

The Oregon Common Credentialing Program
Pursuant to Oregon Revised Statute § 441.226, OHA has established the OCCP. The intention of the statute was to centralize the collection and verification of health care practitioner credentialing information to minimize practitioner burdens and redundancy that exists today. Supporters of the original legislation included the late Senator Alan Bates and Senator Elizabeth Steiner-Hayward, the Oregon Medical Association, the Oregon Association of Hospitals and Health Systems, Regence Health Plan, and others. These supporters continue to understand the need to create efficiencies in the credentialing process. OHA has worked with stakeholders to develop a program that will create efficiencies in the credentialing process by:

- Reducing administrative burdens for practitioners with a centralized web-based system;
- Minimizing redundancies with the centralized collection and verification of information;
- Minimizing redundant third party verification costs; and
- Providing more timely and accurate information that will help to ensure better access to care, more timely reimbursement, enhanced provider directories, and patient safety.

The OCCP will require health care practitioners or their designees to submit necessary credentialing information into an electronic web-based common credentialing system. It will also include a process to verify primary source documents submitted by practitioners. Credentialing organizations (e.g., hospitals, health

The Oregon Common Credentialing Program includes:
- A centralized web-based electronic system
- The collection and verification of credentialing information according to national standards
- Health care practitioner or designee access to the system to submit credentialing information and attest to its accuracy every 120 days
- Credentialing organization access to verified health care practitioner credentialing information
- Leveraged Health Care Regulatory Board data
- Equitable fee collection from mandated participants

insurers, and ambulatory surgical centers) will be required to use the solution to obtain that information when credentialing practitioners. Overall, the Program will reduce the considerable duplication that exists today, where practitioners must submit their information to each of their contractor health plans, hospitals, and health system, and each organization must separately collect and verify that information.

Over the last few years, OHA and stakeholders have devoted resources establish the OCCP. Activities completed to date include:

- Establishing the Common Credentialing Advisory Group (CCAG),
- Developing and analyzing a request for information on vendor capabilities and cost,
- Determining necessary common credentialing solution functionality and credentialing requirements based on national accrediting entity and Medicare credentialing standards,
- Finalizing rules for the Program, and
- Procuring a vendor to deliver the technology and operational solution, and
- Developing a fee model to support the administration of the Program.

The fee model for the OCCP is included in the Agency's 2017-2019 Policy Option Package 409 Part B, which requests fee model approval and "Other Funds" authority to begin once the OCCP is operational in early 2018. Practitioners will be required to pay a one-time initial application fee of $150 and credentialing organizations will be required to pay a one-time setup fee and an annual subscription fee based on practitioner panel size as a proxy for use of the centralized system.

OCCP Fee Structure

Fee Type	Structure
Credentialing Organizations (conservatively estimated 300 organizations)	
One-Time Setup Fee	Tiered based on practitioner panel size to contribute to OCCP implementation costs
Annual Subscription Fee	Tiered based on practitioner panel size to support ongoing operations and maintenance costs
Expedited Credentialing Fee	*Optional service at up to $100 per practitioner*
Health Care Practitioners (estimated 50,000 practitioners)	
Initial Application Fee	One-time flat fee of **$150** per practitioner to contribute to OCCP implementation costs

There were no state funds allocated for the OCCP. The statute provides for the administration and collection of fees from credentialing organizations and practitioners. OHA has expended planning and implementation costs and is at risk until OHA recoups expenditures through fee revenue. It is imperative that fee revenue to cover OCCP costs prior to the end of the 2017-2019 biennium.

HB 2897 and the Impact on the Oregon Common Credentialing Program

HB 2897, as introduced, prohibits insurers from restricting covered services to in-network providers and requiring prior authorization for covered prescription drugs, lab tests, and referrals. It also prohibits insurers from requiring physicians to meet credentialing requirements in addition to requirements imposed by the Oregon Medical Board. The -1 amendment prohibits insurers from requiring physicians to be credentialed by the insurer if the physician is in good standing with the OMB. This provision seems to be aimed at addressing the significant burden physicians face when credentialing with multiple insurers. The OCCP is designed to directly address that burden and meet the requirements of all credentialing organizations and their affiliated accrediting entities.

Excluding physicians from insurer credentialing will conflict with the State's effort in creating efficiencies in the credentialing process for the benefit of practitioners and would impact the sustainability of the OCCP. It may also impact the Program's ability to adhere to specific standards in the collection and verification of practitioner credentialing information.

OCCP Sustainability

Under HB 2897, physicians licensed by the Oregon Medical Board may not be required to comply with the OCCP mandate to enter and maintain their credentialing information in the Program's centralized credentialing system. This will impact the sustainability of the OCCP by reducing anticipated revenue and the ability for the Program's system to be a single source of verified practitioner credentialing information. However, a significant portion of Oregon physicians will still need to be credentialed with hospitals and other credentialing organizations (e.g., ambulatory surgical centers, Independent Physician Associations, etc.) and will still be required to participate in the OCCP. Although it is unclear how many physicians are only credentialed with insurers, even a conservative estimate of 15% of the 18,206 OMB licensed physicians would result in significant financial impacts, $367,956 in revenue in the first year of the Program and the inability to collect that practitioner data.

If physicians are not required to be credentialed and are not included in insurer panel sizes, fees for these organizations will be drastically reduced, resulting in less revenue to sustain the Program. OHA estimates insurer practitioner panel size reductions of 33%, lowering anticipated revenue from over 180 insurers at an impact of $720,277 in lost revenue per year. Because the cost of the Program is to be covered via equitably dispersed fees to credentialing organizations and health care practitioners, a loss in fee revenue will result in a redistribution of these fees that will substantially increase the current fees for hospitals and other credentialing organizations. In total, OHA estimates that the OCCP will lose $1,928,532 in anticipated revenue.

2017-2019 Biennium Revenue Category	Credentialing Organization Revenue Loss	Health Care Practitioners Revenue Loss
Year 1 (Implementation)	**($820,298)**	**($367,538)**
Annual Ongoing	**($720,277)**	**($20,419)**
Total Estimated Revenue Loss in 2017-2019 Biennium		**($1,928,532)**

Assumptions:

1. 33% of the health care practitioners estimated to participate in the Oregon Common Credentialing Program are physicians licensed and in good standing with the Oregon Medical Board
2. Credentialing organization panel sizes will reduce by 40% in relation to the physician estimate
3. 15% of physicians are credentialed only with an insurer; the other 85% will still be credentialed

HB 2897 applies only to physicians licensed with the OMB, which as identified above is only 33% of the credentialed practitioner population. OHA is aware of at least 26 different practitioner types that must be credentialed by credentialing organizations. In addition, about half of the physicians licensed by the OMB ere expedited, meaning that the Board primarily relies on licensure verifications in a different state and board certification and not on the verification of actual credentials, which may be problematic for insurers meeting their accrediting entity standards.

Thank you for your consideration of the impact of HB 2897. In the coming months, OHA will continue to work with the Common Credentialing Advisory Group and other stakeholders on the full implementation of the OCCP, resulting in an efficient common credentialing system that will reduce costs and administrative burdens for health care stakeholders in Oregon.

Thank you for the opportunity to testify. I am happy to answer any questions.