

FILED

2009 MAY 11 PM 4: 07

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**WEST VIRGINIA LEGISLATURE**  
FIRST REGULAR SESSION, 2009

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**ENROLLED**

**COMMITTEE SUBSTITUTE  
FOR  
House Bill No. 2885**

(By Delegates Perdue, Hatfield, Marshall,  
Michael, Moore, Rodighiero and Border)

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Passed April 11, 2009

In Effect Ninety Days from Passage

HB 2885

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## **H. B. 2885**

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(BY DELEGATES PERDUE, HATFIELD, MARSHALL,  
MICHAEL, MOORE, RODIGHIERO AND BORDER)

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[Passed April 11, 2009; in effect ninety days from passage.]

AN ACT to amend and reenact §16-1A-1, §16-1A-3 and §16-1A-4 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto a new section, designated §16-1A-5, all relating to uniform credentialing for health care providers; defining terms; establishing the composition of the advisory committee; requiring the advisory committee to develop proposed legislation to establish credentialing verification organization or organizations, and the disposition of existing organizations; describing the duties of CVOs; describing the procedures for completion of verification; establishing time frames for credentialing; requiring all health care practitioners and insurers, hospitals, third party administrators and other health care entities to use the CVO and the credentialing form; developing credentialing requirements; developing privacy considerations; providing penalties; and requiring a report to the Legislature regarding proposed legislation on or before January 1, 2010.

*Be it enacted by the Legislature of West Virginia:*

That §16-1A-1, §16-1A-3 and §16-1A-4 of the Code of West Virginia, as amended, be amended and reenacted; and that said code be amended by adding thereto a new section, designated §16-1A-5, all to read as follows:

**ARTICLE 1A. UNIFORM CREDENTIALING FOR HEALTH CARE PRACTITIONERS.**

**§16-1A-1. Legislative findings; purpose.**

1 (a) The Legislature finds:

2 (1) Credentialing, required by hospitals, insurance  
3 companies, prepaid health plans, third party administrators  
4 and other health care entities, is necessary to assess and  
5 verify the education, training and experience of health care  
6 practitioners to ensure that qualified professionals treat the  
7 citizens of this state.

8 (2) Currently, a credentialing application form has been  
9 created to reduce duplication and increase efficiency. Each  
10 health care entity performs primary source verification for the  
11 practitioners who apply to that entity for affiliation. This  
12 duplication of primary source verification is time consuming  
13 and costly.

14 (3) The Secretary of the Department of Health and  
15 Human Resources and the Insurance Commissioner share  
16 regulatory authority over the entities requiring credentialing.

17 (b) The purpose of this article is to continue the advisory  
18 committee to assist in developing a uniform credentialing  
19 process and to develop legislation regarding the use of  
20 uniform credentialing through one or more credentialing  
21 verification organizations in this state.

**§16-1A-3. Definitions.**

1 (a) “Commissioner” is the Office of the Insurance  
2 Commissioner.

3 (b) “CVO” is a Credentialing Verification Organization  
4 which performs primary source verification of all health care  
5 practitioners’ training, education and experience.

6 (c) “The department” is the Department of Health and  
7 Human Resources;

8 (d) “Health care practitioners” means those established  
9 pursuant to section two of this article in legislative rule.

10 (e) “Joint Commission” is an independent not-for-profit  
11 organization that evaluates and accredits more than 15,000  
12 health care organizations and programs in the United States.

13 (f) “NCQA” means the National Committee for Quality  
14 Assurance, which is a private, 501(c)(3) not-for-profit  
15 organization dedicated to improving health care quality.

16 (g) “Primary source verification procedure” means the  
17 procedure used by a credentialing organization to collect,  
18 verify and maintain the accuracy of documents and  
19 credentialing information submitted to it by a health care  
20 practitioner who is applying for affiliation with a health care  
21 entity.

22 (h) “URAC” means the American Accreditation  
23 Healthcare Commission.

24 (I) “Payor” means an insurer, prepaid health plan,  
25 hospital service corporation, third party administrator as  
26 defined in article forty-six, chapter thirty-three of this code,

27 or any other entity that reimburses health care practitioners  
28 for medical services.

**§16-1A-4. Advisory committee.**

1 (a) The Secretary of the Department of Health and  
2 Human Resources and the Insurance Commissioner shall  
3 jointly establish an advisory committee to assist them in the  
4 development and implementation of the uniform  
5 credentialing process in this state. The advisory committee  
6 shall consist of thirteen appointed members. Six members  
7 shall be appointed by the Secretary of the Department of  
8 Health and Human Resources: One member shall represent  
9 a hospital with one hundred beds or less; one member shall  
10 represent a hospital with more than one hundred beds; one  
11 member shall represent another type of health care facility  
12 requiring credentialing; one member shall be a person  
13 currently credentialing on behalf of health care practitioners;  
14 and two of the members shall represent the health care  
15 practitioners subject to credentialing. Five members shall be  
16 representative of the entities regulated by the Insurance  
17 Commissioner that require credentialing and shall be  
18 appointed by the Insurance Commissioner: One member  
19 shall represent an indemnity health care insurer; one member  
20 shall represent a preferred provider organization; one  
21 member shall represent a third party administrator; one  
22 member shall represent a health maintenance organization  
23 accredited by URAC; and one member shall represent a  
24 health maintenance organization accredited by the national  
25 committee on quality assurance. The Secretary of the  
26 Department of Health and Human Resources and the  
27 Insurance Commissioner, or the designee of either or both,  
28 shall be nonvoting ex officio members. Upon the effective  
29 date of this legislation, the state hospital association and state  
30 medical association shall each designate to the department  
31 one person to represent their respective associations and

32 members and those designees shall be appointed to the  
33 advisory committee by the secretary of the department.

34 (b) At the expiration of the initial terms, successors will  
35 be appointed to terms of three years. Members may serve an  
36 unlimited number of terms. When a vacancy occurs as a  
37 result of the expiration of a term or otherwise, a successor of  
38 like qualifications shall be appointed. Representatives of the  
39 hospital and medical associations shall serve for three-year  
40 terms.

41 (c) The advisory committee shall meet at least annually  
42 to review the status of uniform credentialing in this state, and  
43 may make further recommendations to the Secretary of the  
44 Department of Health and Human Resources and the  
45 Insurance Commissioner as are necessary to carry out the  
46 purposes of this article. Any uniform forms and the list of  
47 health care practitioners required to use the uniform forms as  
48 set forth in legislative rule proposed pursuant to section two  
49 of this article may be amended as needed by procedural rule.

**§16-1A-5. Development of legislation regarding CVO; report  
required.**

1 (a) On or before January 1, 2010, the advisory committee  
2 established pursuant to section four of this article shall  
3 develop legislation that considers the following:

4 (1) The establishment of one or more CVOs within the  
5 state to provide primary source verification with electronic  
6 accessibility on a cost effective and operationally efficient  
7 basis;

8 (2) The number of CVOs necessary to provide this access  
9 for the state;

10 (3) The treatment of existing CVOs currently doing  
11 business within the state;

12 (4) The duties of a CVO and the timelines for completion  
13 of its verification duties;

14 (5) The procedures for maintaining healthcare  
15 practitioner files;

16 (6) The payment system to cover the costs of the  
17 credentialing program;

18 (7) The use and confidentiality of data generated,  
19 collected and maintained by a CVO;

20 (8) Compliance by CVOs with certificate requirements  
21 including NCQA, URAC, Medicare and Medicaid and other  
22 state and federal requirements;

23 (9) The required use by payors and hospitals of a CVO's  
24 primary source verification services;

25 (10) Credentialing recredentialing requirements as  
26 required by payors, hospitals and state and federal law and  
27 regulations;

28 (11) The use of site visits in credentialing;

29 (12) The maintenance, amounts and types of liability  
30 insurance to be obtained by a CVO;

31 (13) Consideration of existing statutory protections that  
32 should be extended to the CVO;

33 (14) Privacy considerations;

34 (15) If applicable, the terms and conditions of the  
35 contract under which a CVO operates in this state and the  
36 procedure and criteria upon which a CVO is selected;

37 (16) Penalties, if any, for noncompliance;

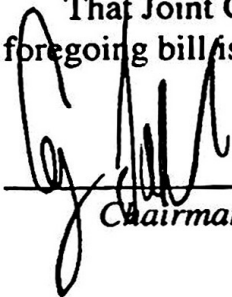
38 (17) Timelines for credentialing, recredentialing and  
39 other compliance obligation of payors;

40 (18) Reconciliation of the use of forms required by this  
41 article with other applicable state and federal laws and  
42 regulations.

43 (b) On or before January 1, 2010, the department and the  
44 commissioner shall jointly report to the Legislative Oversight  
45 Commission on Health and Human Resources Accountability  
46 proposed legislation to implement the provisions set forth in  
47 this article.



That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

  
\_\_\_\_\_  
Chairman Senate Committee


  
\_\_\_\_\_  
Chairman House Committee

Originating in the House.

In effect ninety days from passage.

  
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Clerk of the Senate

  
\_\_\_\_\_  
Clerk of the House of Delegates

  
\_\_\_\_\_  
President of the Senate

  
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Speaker of the House of Delegates

The within is approved this the 11<sup>th</sup>  
day of May, 2009.

  
\_\_\_\_\_  
Governor

PRESENTED TO THE  
GOVERNOR

MAY · 6 2009

Time 3:45p