

MEDICAID PROVIDER CREDENTIALING PROCESS

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House Bill 5487 (H-1) as reported from committee

Sponsor: Rep. Edward J. Canfield, D.O.

Committee: Health Policy

Complete to 3-18-18

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: House Bill 5487 would add Section 111m to the Social Welfare Act, which would require the Michigan Department of Health and Human Services (DHHS) to work with contracted health plans to create, and managed care providers to comply with, a uniform credentialing process.

FISCAL IMPACT: House Bill 5487 would increase one-time state administrative costs by a negligible amount in order to establish and implement a uniform Medicaid credentialing process. Once implemented, the bill would not have a fiscal impact on the state or local units of government.

THE APPARENT PROBLEM:

The bipartisan House C.A.R.E.S. (Community, Access, Resources, Education and Safety) mental health task force, formed on July 12, 2017, met with stakeholders and the public and toured facilities between July and October 2017 and released its report on January 17, 2018.¹ The report includes recommendations for improving care, developing methods of care, and enhancing care in Michigan's mental health system.

In its list of opportunities to enhance care, the report recommends the implementation of universal credentialing. The report notes the following:

In Michigan, physicians must be credentialed with each Medicaid Health Plan. We have heard that implementing universal credentialing at the state level for all the health plans will ease the process for providers and make it easier for them to accept Medicaid patients throughout the state.

THE CONTENT OF THE BILL:

House Bill 5487 would require DHHS to work with contracted health plans to do all of the following:

- Establish and revise, as necessary, a uniform credentialing process for providers of medical assistance. In complying with this requirement, DHHS must consult with medical services providers required to accept credentialing.

¹ <https://house.mi.gov/PDFs/HouseCARESTaskForceReport.pdf>

- Ensure that the process establishes a streamlined uniform credentialing requirement for individuals who provide medical services through contracted health plans.
- Submit a report to the legislature describing the establishment of and any revisions to the process. (The report would be submitted 6 months after HB 5487 takes effect and annually thereafter.)
- Ensure that all of its forms, processes, and contracts related to providing medical services comply with the process.

Under the bill, a managed care provider that provides medical services to medical assistance recipients, either directly or through a contract, must comply with the process. (This requirement would not apply to a managed care provider contracting with a health plan in a region served by fewer than two health plans until three years after the bill took effect).

Section 105 of the Act provides that, as used in Sections 105 to 112 of the Act, ***provider*** means an individual, sole proprietorship, partnership, association, corporation, institution, agency, or other legal entity, who has entered into an agreement of enrollment specified by the DHHS director.

Finally, the uniform credentialing process could not include a primary or secondary credential verification process.

The bill would take effect 90 days after enactment.

Proposed MCL 400.111m

BACKGROUND:

Currently, an eligible provider who complies with all applicable licensing laws and regulations in Michigan, who is not excluded from participation in Medicaid by state or federal sanction, and whose services are directly reimbursable per DHHS policy may enroll as a Medicaid provider. (Out-of-state providers must be licensed and/or certified by their state authority.) Some providers must also be certified as meeting Medicare or other standards as specified by DHHS. Then, providers (except managed care organizations) must have their enrollment approved through the online DHHS CHAMPS Provider Enrollment subsystem to be reimbursed for covered services rendered to eligible Medicaid beneficiaries.²

ARGUMENTS:

For:

According to testimony submitted to the committee, the bill would serve to reduce the lengthy, costly, and redundant process of credentialing with Medicaid Health Management Organizations. Because there is no universal system, supporters of the bill say that the

² Medicaid Provider Manual, last updated January 1, 2018, at p. 16 of 2,008. <http://www.mdch.state.mi.us/dch-medicaid/manuals/MedicaidProviderManual.pdf>

process often must be duplicated numerous times in order for a provider to accept all forms of Medicaid in its service area.

Against:

No one offered testimony or voted against the bill in committee.

POSITIONS:

The following organizations indicated support for the bill:

Michigan Department of Health and Human Services (3-7-18)

Michigan Osteopathic Association (3-12-18)

Michigan State Medical Society (3-7-18)

Michigan Academy of Family Physicians (3-7-18)

National Association of Social Workers—Michigan Chapter (3-7-18)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.