

1 AN ACT relating to Medicaid credentialing of health care providers.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 205.532 is amended to read as follows:

4 (1) As used in KRS 205.532 to 205.536:

5 (a) "Clean application" means a credentialing application submitted by a provider
6 to a credentialing verification organization that:

7 1. Is complete; and

8 2. Does not lack any required substantiating documentation;

9 (b) "Credentialing application date" means the date that a credentialing
10 verification organization receives a clean application from a provider;

11 (c) "Credentialing verification organization" means an organization that gathers
12 data and verifies the credentials of providers in a manner consistent with
13 federal and state laws and the requirements of the National Committee for
14 Quality Assurance. "Credentialing verification organization" is limited to the
15 following:

16 1. An organization designated by the department pursuant to subsection
17 (3)(a) of this section; and

18 2. Any bona fide, nonprofit, statewide, health care provider trade
19 association, organized under the laws of Kentucky, that has an existing
20 contract with the department or a managed care organization, as of July
21 1, 2018, to perform credentialing verification activities~~[for its members,~~
22 ~~providers who are employed by its members, or providers who practice~~
23 ~~at the members' facilities];~~

24 (d) "Department" means the Department for Medicaid Services;

25 (e) "Medicaid managed care organization" or "managed care organization" means
26 an entity for which the department has contracted to serve as a managed care
27 organization as defined in 42 C.F.R. sec. 438.2;

1 (f) "Provider" has the same meaning as in KRS 304.17A-700; and

2 (g) "Request for proposals" has the same meaning as in KRS 45A.070.

3 (2) On and after January 1, 2019, every contract entered into or renewed for the
4 delivery of Medicaid services by a managed care organization shall be in
5 compliance with KRS 205.522, 205.532 to 205.536, and 304.17A-515.

6 (3) (a) Through a request for proposals, the department shall designate a single
7 organization as a credentialing verification organization to verify the
8 credentials of providers on behalf of the department and all managed care
9 organizations.

10 (b) Following the department's designation pursuant to this subsection, the
11 contract between the department and the designated credentialing verification
12 organization shall be submitted to the Government Contract Review
13 Committee of the Legislative Research Commission for comment and review.

14 (c) A credentialing verification organization shall be reimbursed on a per provider
15 credentialing basis by the department. This expense shall be reduced from
16 Medicaid managed care organizations capitation rates.

17 (d) Each provider seeking to be enrolled in Medicaid and credentialed with the
18 department and a Medicaid managed care organization shall submit a single
19 credentialing application to the designated credentialing verification
20 organization, or to an organization meeting the requirements of subsection
21 (1)(c)2. of this section, if applicable. The credentialing verification
22 organization shall:

23 1. Gather all necessary documentation from each provider;

24 2. Within five (5) days of receipt of a credentialing application, notify the
25 provider in writing if the application is complete;

26 3. Review an application for any misstatement of fact or lack of
27 substantiating documentation;

- 1 4. Provide verified credentialing packets to the department and to each
2 managed care organization as requested by the provider within thirty
3 (30) calendar days of receipt of a clean application; and
- 4 5. Conduct reevaluations of provider documentation when required by state
5 or federal law or for the provider to maintain participation status with
6 the department or a managed care organization.
- 7 (4) (a) The department shall enroll a provider within thirty (30) calendar days of
8 receipt of a verified credentialing packet for the provider from a credentialing
9 verification organization. The date of enrollment shall be the date that the
10 provider's clean application was initially received by a credentialing
11 verification organization.
- 12 (b) A Medicaid managed care organization shall:
- 13 1. Determine whether it will contract with the provider within thirty (30)
14 calendar days of receipt of the verified credentialing packet from the
15 credentialing verification organization; and
- 16 2. a. Within ten (10) days of an executed contract, ensure that any
17 internal processing systems of the managed care organization have
18 been updated to include:
- 19 i. The accepted provider contract; and
20 ii. The provider as a participating provider.
- 21 b. In the event that the loading and configuration of a contract with a
22 provider will take longer than ten (10) days, the managed care
23 organization may take an additional fifteen (15) days if it has
24 notified the provider of the need for additional time.
- 25 (5) Nothing in this section requires a Medicaid managed care organization to contract
26 with a provider if the managed care organization and the provider do not agree on
27 the terms and conditions for participation.

- 1 (6) (a) For the purpose of reimbursement of claims, once a provider has met the
2 terms and conditions for credentialing and enrollment, the provider's
3 credentialing application date shall be the date from which the provider's
4 claims become eligible for payment.
- 5 (b) A Medicaid managed care organization shall not require a provider to appeal
6 or resubmit any clean claim submitted during the time period between the
7 provider's credentialing application date and a managed care organization's
8 completion of its credentialing process.
- 9 (7) Nothing in this section shall prohibit a university hospital, as defined in KRS
10 205.639, from performing the activities of a credentialing verification organization
11 for its employed physicians, residents, and mid-level practitioners where such
12 activities are delineated in the hospital's contract with a Medicaid managed care
13 organization. The provisions of subsections (3), (4), (5), and (6) of this section with
14 regard to payment and timely action on a credentialing application shall apply to a
15 credentialing application that has been verified through a university hospital
16 pursuant to this subsection.