1 AN ACT relating to assisted-living communities.

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:

6 1. For credentialing purposes, a credentialing application submitted by a
7 provider to a credentialing verification organization that:

8 a. Is complete and correct;

9 b. Does not lack any required substantiating documentation; and

10 c. Is consistent with the requirements for the National Committee for
11 Quality Assurance requirements; or

12 2. For enrollment purposes, an enrollment application submitted by a
13 provider to the department that:

14 a. Is complete and correct;

15 b. Does not lack any required substantiating documentation;

16 c. Complies with all provider screening requirements pursuant to 42
17 C.F.R. pt. 455; and

18 d. Is on behalf of a provider who does not have accounts receivable
19 with the department;

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

22 (c) "Credentialing verification organization" means an organization that gathers
23 data and verifies the credentials of providers in a manner consistent with
24 federal and state laws and the requirements of the National Committee for
25 Quality Assurance. "Credentialing verification organization" is limited to the
26 following:

27 1. An organization designated by the department pursuant to subsection

1 (3)(a) of this section; and
2 2. Any bona fide, nonprofit, statewide, health care provider trade
3 association, organized under the laws of Kentucky, that has an existing
4 contract with the department or a managed care organization, as of July
5 1, 2018, to perform credentialing verification activities;
6 (d) "Department" means the Department for Medicaid Services;
7 (e) "Medicaid managed care organization" or "managed care organization" means
8 an entity for which the department has contracted to serve as a managed care
9 organization as defined in 42 C.F.R. sec. 438.2;
10 (f) "Provider" has the same meaning as in KRS 304.17A-700; and
11 (g) "Request for proposals" has the same meaning as in KRS 45A.070.
12 (2) On and after January 1, 2019, every contract entered into or renewed for the
13 delivery of Medicaid services by a managed care organization shall be in
14 compliance with KRS 205.522, 205.532 to 205.536, and 304.17A-515.
15 (3) (a) Through a request for proposals, the department shall designate a single
16 organization as a credentialing verification organization to verify the
17 credentials of providers on behalf of all managed care organizations ***by July 1,***
18 ***2020***.
19 (b) Following the department's designation pursuant to this subsection, the
20 contract between the department and the designated credentialing verification
21 organization shall be submitted to the Government Contract Review
22 Committee of the Legislative Research Commission for comment and review.
23 (c) ***If the department fails to designate a single organization as a credentialing***
24 ***verification organization to verify the credentials of providers on behalf of***
25 ***all managed care organizations by July 1, 2020, the responsibility for***
26 ***designating, contracting, and overseeing the single credentialing***
27 ***verification system shall be immediately transferred to the Office of***

1 ***Medicaid Fraud and Abuse Control in the Office of the Attorney General.***
2 ***(d) On and after January 1, 2021, all new provider applications for initial***
3 ***credentialing with one (1) or more managed care organizations shall be***
4 ***submitted to a single credentialing verification organization designated***
5 ***under this subsection.***
6 ***(e) All providers whose credentials have been verified with one (1) or more***
7 ***managed care organizations as of January 1, 2020, shall continue to be***
8 ***credentialed or re-credentialed by those managed care organizations until***
9 ***June 30, 2021.***
10 ***(f) On and after July 1, 2021, all provider applications shall be submitted to the***
11 ***single credentialing verification organization designated under paragraph***
12 ***(a) or (c) of this subsection. A managed care organization shall not accept***
13 ***applications from providers for credentialing verification on or after July 1,***
14 ***2021.***
15 ***(g)*** A credentialing verification organization, designated by the department, shall
16 be reimbursed on a per provider credentialing basis by the department. The
17 reimbursements shall be offset or deducted equally from each Medicaid
18 managed care organizations capitation payments.
19 ***(h)***[~~(d)~~] The department shall enroll and screen providers in accordance with 42
20 C.F.R. pt. 455 and applicable state and federal law.
21 ***(i)***[~~(e)~~] Each provider seeking to be enrolled and screened with the department
22 shall make application via electronic means as determined by the department.
23 ***(j)***[~~(f)~~] Pursuant to federal law, all providers seeking to participate in the
24 Medicaid program with a managed care organization shall be enrolled as a
25 provider with the department.
26 ***(k)***[~~(g)~~] Each provider seeking to be credentialed with a Medicaid managed care
27 organization shall submit a single credentialing application to the designated

1 credentialing verification organization, or to an organization meeting the
2 requirements of subsection (1)(c)2. of this section, if applicable. The
3 credentialing verification organization shall:
4 1. Gather all necessary documentation from each provider;
5 2. Within five (5) days of receipt of a credentialing application, notify the
6 provider in writing if the application is complete;
7 3. Review an application for any misstatement of fact or lack of
8 substantiating documentation;
9 4. Credential and provide verified credentialing information electronically
10 to the department and to each managed care organization as requested by
11 the provider within thirty (30) calendar days of receipt of a clean
12 application; and
13 5. Conduct reevaluations of provider documentation when required
14 pursuant to state or federal law or for the provider to maintain
15 participation status with a managed care organization.
16 (4) (a) The department shall enroll a provider within sixty (60) calendar days of
17 receipt of a clean provider enrollment application. The date of enrollment
18 shall be the date that the provider's clean application was initially received by
19 the department. The time limits established in this section shall be tolled or
20 paused by a delay caused by an external entity. Tolling events include but are
21 not limited to the screening requirements contained in 42 C.F.R. pt. 455 and
22 searches of federal databases maintained by entities such as the United States
23 Centers for Medicare and Medicaid Services.
24 (b) A Medicaid managed care organization shall:
25 1. Determine whether it will contract with the provider within thirty (30)
26 calendar days of receipt of the verified credentialing information from
27 the credentialing verification organization; and

1 2. a. Within ten (10) days of an executed contract, ensure that any
2 internal processing systems of the managed care organization have
3 been updated to include:
4 i. The accepted provider contract; and
5 ii. The provider as a participating provider.
6 b. In the event that the loading and configuration of a contract with a
7 provider will take longer than ten (10) days, the managed care
8 organization may take an additional fifteen (15) days if it has
9 notified the provider of the need for additional time.
10 (5) (a) Nothing in this section requires a Medicaid managed care organization to
11 contract with a provider if the managed care organization and the provider do
12 not agree on the terms and conditions for participation.
13 (b) Nothing in this section shall prohibit a provider and a managed care
14 organization from negotiating the terms of a contract prior to the completion
15 of the department's enrollment and screening process.
16 (6) (a) For the purpose of reimbursement of claims, once a provider has met the
17 terms and conditions for credentialing and enrollment, the provider's
18 credentialing application date shall be the date from which the provider's
19 claims become eligible for payment.
20 (b) A Medicaid managed care organization shall not require a provider to appeal
21 or resubmit any clean claim submitted during the time period between the
22 provider's credentialing application date and a managed care organization's
23 completion of its credentialing process.
24 (c) Nothing in this section shall limit the department's authority to establish
25 criteria that allow a provider's claims to become eligible for payment in the
26 event of lifesaving or life-preserving medical treatment, such as, for an
27 illustrative but not exclusive example, an organ transplant.

(7) Nothing in this section shall prohibit a university hospital, as defined in KRS 205.639, from performing the activities of a credentialing verification organization for its employed physicians, residents, and mid-level practitioners where such activities are delineated in the hospital's contract with a Medicaid managed care organization. The provisions of subsections (3), (4), (5), and (6) of this section with regard to payment and timely action on a credentialing application shall apply to a credentialing application that has been verified through a university hospital pursuant to this subsection.

(8) To promote seamless integration of licensure information, the relevant provider licensing boards in Kentucky are encouraged to forward and provide licensure information electronically to the department and any credentialing verification organization.

➔Section 2. KRS 309.357 is amended to read as follows:

(1) The board shall promulgate administrative regulations establishing a reasonable schedule of fees and charges for the issuance and restoration of licenses and certificates, and for the renewal of licenses and certificates issued under KRS 309.350 to 309.364.

~~[The following fees shall be required of licensees and prospective applicants:~~

~~(1) Application fee of fifty dollars ($50), which shall be credited to the initial license fee for successful applicants;~~

~~(2) Initial, nonrefundable license fee not to exceed one hundred twenty-five dollars ($125);~~

~~(3) Biennial renewal fees not to exceed one hundred dollars ($100);~~

~~(4) Late renewal fees not to exceed one hundred fifty dollars ($150) up to sixty (60) days after expiration of license;~~

~~(5) Sixty (60) to ninety (90) days after expiration of license, late renewal fees not to exceed two hundred dollars ($200); and~~

~~(6) Beyond ninety (90) days after the expiration of a license:~~

~~(a) Late renewal fees not to exceed two hundred dollars ($200) if the applicant for renewal can demonstrate to the satisfaction of the board that the applicant was unable to renew in a timely manner due to circumstances beyond his or her control; or~~

~~(b) The application and initial, nonrefundable license fees required by subsections (1) and (2) of this section, accompanied by:~~

~~1. A new application for licensure; and~~

~~2. Proof of compliance with all of the requirements to practice massage therapy specified in KRS 309.358.]~~

(2) If the board determines that ***an***~~[the]~~ applicant practiced on an expired license, the board may require one (1) continuing education credit per month of expiration, at the discretion of the board.

➔Section 3. KRS 309.362 is amended to read as follows:

(1) The board may deny or refuse to renew a license, may suspend or revoke a license, may issue an administrative reprimand, or may impose probationary conditions or fines not to exceed five hundred dollars ($500) when the licensee has engaged in unprofessional conduct that has endangered or is likely to endanger the health, welfare, or safety of the public. Unprofessional conduct shall include the following:

(a) Obtaining or attempting to obtain a license by fraud, misrepresentation, concealment of material facts, or making a false statement to the board;

(b) Being convicted of a felony in any court if the act or acts for which the licensee or applicant for license was convicted are determined by the board to have a direct bearing on whether the person is trustworthy to serve the public as a licensed massage therapist, if in accordance with KRS Chapter 335B. "Conviction," as used in this paragraph, shall include a finding or verdict of guilty, an admission of guilt, or a plea of nolo contendere in a court of law;

(c) Violating any lawful order or administrative regulation promulgated by the board;

(d) Violating any provision of this chapter or administrative regulations promulgated thereunder;

(e) Having sexual contact as defined by KRS 510.010(7) with a client or having engaged or attempted to engage in lewd or immoral conduct with any client or patient;

(f) Engaging in fraud or material deception in the delivery of professional services, including reimbursement or advertising services, in a false or misleading manner;

(g) Evidence of gross negligence or gross incompetence in the practice of massage therapy;

(h) Violating the standards of practice or the code of ethics as promulgated by administrative regulations;

(i) Violating KRS 304.39-215; or

(j) Engaging in conduct that is subject to the penalties under KRS 304.99-060(4) or (5).

(2) Any licensed massage therapist who does not desire to meet the qualifications for active license renewal shall, upon application and payment of an inactive renewal fee, be issued an inactive license. The license shall not entitle the license holder to use the term "licensed massage therapist," nor to engage in the practice of massage therapy~~[. The inactive renewal fee shall not exceed fifty dollars ($50) annually]~~.

(3) To regain active status, the licensee shall upon application show completion of one (1) hour of continuing professional education for each month the license has been in an inactive state not to exceed five (5) years. Waivers or extensions of continuing education may be approved at the discretion of the board. Beyond five (5) years, the licensee shall meet the requirements in KRS 309.358.

1 (4) The board may, at its discretion, deny, refuse to renew, suspend or revoke a license,
2 or impose probationary conditions following an administrative hearing pursuant to
3 KRS Chapter 13B and in accordance with administrative regulations promulgated
4 by the board.
5 (5) The surrender of a license shall not deprive the board of jurisdiction to proceed with
6 disciplinary actions under KRS 309.350 to 309.364.
7 ➔Section 4. KRS 326.080 is amended to read as follows:
8 (1) A license to practice ophthalmic dispensing shall be renewed each year by the
9 payment of a fee ***which shall be established by administrative regulation***
10 ***promulgated by the board***[~~not to exceed seventy-five dollars ($75)~~], unless the
11 license has been suspended or revoked by the board.
12 (2) Effective January 1, 1996, as a prerequisite for license renewal, licensees shall
13 provide adequate proof that they have obtained at least six (6) hours of continuing
14 education credits, approved by the board, during the previous twelve (12) months.
15 ➔Section 5. Whereas designating a single organization as a credentialing
16 verification organization to verify the credentials of providers on behalf of all managed
17 care organizations will help increase the number of health care providers providing
18 services to Medicaid recipients, an emergency is declared to exist, and Section 1 of this
19 Act takes effect upon its passage and approval by the Governor or upon its otherwise
20 becoming a law.