



January 24, 2023

HOUSE BILL No. 1372

DIGEST OF HB 1372 (Updated January 24, 2023 11:22 am - DI 147)

Citations Affected: IC 12-15.

Synopsis: Credentialing for Medicaid services. Requires the office of Medicaid policy and planning (office) to prescribe a credentialing application form to be used by: (1) a provider who applies for credentialing by a managed care organization or a contractor of the office (contractor); and (2) a managed care organization or contractor that performs credentialing activities. Requires a managed care organization or contractor to notify a provider concerning: (1) any deficiency in the provider's unclean credentialing application; and (2) the status of the provider's clean credentialing application. Provides that if the managed care organization or contractor fails to issue a credentialing determination within 30 days after receiving a provider's completed credentialing application, the managed care organization or contractor shall provisionally credential the provider if the provider meets certain criteria. Provides that if the managed care organization or contractor fully credentials a provider, then reimbursement payments to the provider shall be paid retroactive to the date on which the initial credentialing application was received and the provider shall be reimbursed at the rates determined by the contract between the provider and the managed care organization or contractor.

Effective: July 1, 2023.

King, Barrett, Schaibley

January 17, 2023, read first time and referred to Committee on Public Health.
January 24, 2023, amended, reported — Do Pass.

HB 1372—LS 7370/DI 55



January 24, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1372

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 12-15-11-10 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2023]: **Sec. 10. (a) As used in this section,**
4 **"clean credentialing application" means an application for**
5 **network participation that:**
6 **(1) is submitted by a provider under this section;**
7 **(2) does not contain an error; and**
8 **(3) may be processed by the managed care organization or**
9 **contractor of the office without returning the application to**
10 **the provider for a revision or clarification.**
11 **(b) As used in this section, "credentialing" means a process by**
12 **which a managed care organization or contractor of the office**
13 **makes a determination that:**
14 **(1) is based on criteria established by the managed care**
15 **organization or contractor of the office; and**
16 **(2) concerns whether a provider is eligible to:**
17 **(A) provide health services to an individual eligible for**

HB 1372—LS 7370/DI 55



- 1 **Medicaid services; and**
2 **(B) receive reimbursement for the health services;**
3 **under an agreement that is entered into between the provider**
4 **and managed care organization or contractor of the office.**
5 **(c) As used in this section, "unclean credentialing application"**
6 **means an application for network participation that:**
7 **(1) is submitted by a provider under this section;**
8 **(2) contains at least one (1) error; and**
9 **(3) must be returned to the provider to correct the error.**
10 **(d) This section applies to a managed care organization or a**
11 **contractor of the office.**
12 **(e) The office shall prescribe the credentialing application form**
13 **used by the Council for Affordable Quality Healthcare in**
14 **electronic or paper format, which must be used by:**
15 **(1) a provider who applies for credentialing by a managed**
16 **care organization or a contractor of the office; and**
17 **(2) a managed care organization or a contractor of the office**
18 **that performs credentialing activities.**
19 **(f) A managed care organization or contractor of the office shall**
20 **notify a provider concerning a deficiency on a completed unclean**
21 **credentialing application form submitted by the provider not later**
22 **than thirty (30) business days after the entity receives the**
23 **completed unclean credentialing application form. A notice**
24 **described in this subsection must:**
25 **(1) provide a description of the deficiency; and**
26 **(2) state the reason why the application was determined to be**
27 **an unclean credentialing application.**
28 **(g) A managed care organization or contractor of the office shall**
29 **notify a provider concerning the status of the provider's completed**
30 **clean credentialing application not later than:**
31 **(1) sixty (60) days after the entity receives the completed clean**
32 **credentialing application form; and**
33 **(2) every thirty (30) days after the notice is provided under**
34 **subdivision (1), until the entity makes a final credentialing**
35 **determination concerning the provider.**
36 **(h) Notwithstanding subsection (g), if the managed care**
37 **organization or contractor of the office fails to issue a credentialing**
38 **determination within thirty (30) days after receiving a completed**
39 **credentialing application form from a provider, the managed care**
40 **organization or contractor of the office shall provisionally**
41 **credential the provider if the provider meets the following criteria:**
42 **(1) The provider has submitted a completed and signed clean**



- 1 **credentialing application form and any required supporting**
2 **material to the managed care organization or contractor of**
3 **the office.**
- 4 **(2) The provider was previously credentialed by the managed**
5 **care organization or contractor of the office in Indiana and in**
6 **the same scope of practice for which the provider has applied**
7 **for provisional credentialing or the provider is a member of**
8 **a provider group or health facility that is credentialed and a**
9 **participating provider with the managed care organization or**
10 **the contractor of the office.**
- 11 **(i) The criteria for issuing provisional credentialing under**
12 **subsection (h) may not be less stringent than the standards and**
13 **guidelines governing provisional credentialing from the National**
14 **Committee for Quality Assurance or its successor organization.**
- 15 **(j) Once a managed care organization or the contractor of the**
16 **office fully credentials a provider that holds provisional**
17 **credentialing and a network provider agreement has been**
18 **executed, then reimbursement payments under the contract shall**
19 **be paid retroactive to the date the initial credentialing application**
20 **was received. The managed care organization or contractor of the**
21 **office shall reimburse the provider at the rates determined by the**
22 **contract between the provider and the:**
- 23 **(1) managed care organization; or**
24 **(2) contractor of the office.**
- 25 **(k) If a managed care organization or contractor of the office**
26 **does not fully credential a provider that is provisionally**
27 **credentialed under subsection (h), the provisional credentialing is**
28 **terminated on the date the managed care organization or**
29 **contractor of the office notifies the provider of the adverse**
30 **credentialing determination. The managed care organization or**
31 **contractor of the office is not required to reimburse for services**
32 **rendered while the provider was provisionally credentialed.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1372, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "After a provider who is an" and insert "**As used in this section, "clean credentialing application" means an application for network participation that:**

- (1) is submitted by a provider under this section;**
- (2) does not contain an error; and**
- (3) may be processed by the managed care organization or contractor of the office without returning the application to the provider for a revision or clarification.**

(b) As used in this section, "credentialing" means a process by which a managed care organization or contractor of the office makes a determination that:

- (1) is based on criteria established by the managed care organization or contractor of the office; and**
- (2) concerns whether a provider is eligible to:**
 - (A) provide health services to an individual eligible for Medicaid services; and**
 - (B) receive reimbursement for the health services; under an agreement that is entered into between the provider and managed care organization or contractor of the office.**

(c) As used in this section, "unclean credentialing application" means an application for network participation that:

- (1) is submitted by a provider under this section;**
- (2) contains at least one (1) error; and**
- (3) must be returned to the provider to correct the error.**

(d) This section applies to a managed care organization or a contractor of the office.

(e) The office shall prescribe the credentialing application form used by the Council for Affordable Quality Healthcare in electronic or paper format, which must be used by:

- (1) a provider who applies for credentialing by a managed care organization or a contractor of the office; and**
- (2) a managed care organization or a contractor of the office that performs credentialing activities.**

(f) A managed care organization or contractor of the office shall notify a provider concerning a deficiency on a completed unclean credentialing application form submitted by the provider not later than thirty (30) business days after the entity receives the



completed unclean credentialing application form. A notice described in this subsection must:

- (1) provide a description of the deficiency; and
- (2) state the reason why the application was determined to be an unclean credentialing application.

(g) A managed care organization or contractor of the office shall notify a provider concerning the status of the provider's completed clean credentialing application not later than:

- (1) sixty (60) days after the entity receives the completed clean credentialing application form; and
- (2) every thirty (30) days after the notice is provided under subdivision (1), until the entity makes a final credentialing determination concerning the provider.

(h) Notwithstanding subsection (g), if the managed care organization or contractor of the office fails to issue a credentialing determination within thirty (30) days after receiving a completed credentialing application form from a provider, the managed care organization or contractor of the office shall provisionally credential the provider if the provider meets the following criteria:

- (1) The provider has submitted a completed and signed clean credentialing application form and any required supporting material to the managed care organization or contractor of the office.
- (2) The provider was previously credentialed by the managed care organization or contractor of the office in Indiana and in the same scope of practice for which the provider has applied for provisional credentialing or the provider is a member of a provider group or health facility that is credentialed and a participating provider with the managed care organization or the contractor of the office.

(i) The criteria for issuing provisional credentialing under subsection (h) may not be less stringent than the standards and guidelines governing provisional credentialing from the National Committee for Quality Assurance or its successor organization.

(j) Once a managed care organization or the contractor of the office fully credentials a provider that holds provisional credentialing and a network provider agreement has been executed, then reimbursement payments under the contract shall be paid retroactive to the date the initial credentialing application was received. The managed care organization or contractor of the office shall reimburse the provider at the rates determined by the contract between the provider and the:



(1) managed care organization; or

(2) contractor of the office.

(k) If a managed care organization or contractor of the office does not fully credential a provider that is provisionally credentialed under subsection (h), the provisional credentialing is terminated on the date the managed care organization or contractor of the office notifies the provider of the adverse credentialing determination. The managed care organization or contractor of the office is not required to reimburse for services rendered while the provider was provisionally credentialed."

Page 1, delete lines 4 through 17.

Delete page 2.

and when so amended that said bill do pass.

(Reference is to HB 1372 as introduced.)

BARRETT

Committee Vote: yeas 13, nays 0.

