

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 817 Health Care  
**SPONSOR(S):** Health Care Appropriations Subcommittee; Gaetz  
**TIED BILLS:** **IDEN./SIM. BILLS:** CS/SB 966

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Quality Subcommittee	12 Y, 0 N	Holt	O'Callaghan
2) Health Care Appropriations Subcommittee	12 Y, 0 N, As CS	Rodriguez	Pridgeon
3) Health & Human Services Committee		Holt	Calamas

### SUMMARY ANALYSIS

The bill requires the Department of Health (DOH) to convene a study group that evaluates the need for a statewide primary source verification repository for the core credentials data of health care practitioners.

The bill contains legislative intent for establishing the study group and recognizes that duplication of health care practitioner credentialing activities is costly and cumbersome for both the private and public sector.

The bill requires the study group to address factors including, but not limited to, potential costs, timelines for implementation, procurement options, and the impact on the private sector.

The bill requires the study group to submit recommendations to the Governor, the President of the Senate and the Speaker of the House of Representatives by July 1, 2014.

The bill has an insignificant negative fiscal impact on DOH that can be absorbed within existing agency resources.

The bill provides an effective date of July 1, 2013.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

##### *Standardized Credentials Collection and Verification*

Currently, the Division of Medical Quality Assurance (MQA) within DOH licenses and regulates medical doctors pursuant to ch. 458, F.S., and osteopathic physicians pursuant to ch. 459, F.S. Proof of state licensure as a physician is one of several credentials health care entities evaluate when deciding whether to grant staff appointments, reappointments, clinical privileges, etc., or enter into other contractual relationships with physicians. Currently, MQA verifies licensure and disciplinary history, but does not credential physicians.

Section 456.077, F.S., provides that citations may be issued when authorized by rule of the board<sup>1</sup> or the DOH. Rules are promulgated by the board or DOH through the rulemaking process to identify violations that may be resolved by citation, including fines or other penalties to be imposed.

##### CoreSTAT

In 1998, a credentialing collection and verification program, which became known as the CoreSTAT, was created by legislative mandate to standardize the process for health care practitioners regulated by MQA.<sup>2</sup> However, on July 1, 2002, the legislative mandate was repealed and health care practitioners were no longer required to report core credentials data to DOH.<sup>3</sup> By November 30, 2003, CoreSTAT was disabled and subscribers were no longer able to access the collected practitioner data.<sup>4</sup>

The CoreSTAT program was developed in-house within the MQA Division and a work unit was established to manage the program. The credentialing process initially included medical doctors, osteopathic physicians, chiropractic physicians, and podiatric physicians, and allowed for the addition of other health care practitioners. However, in 1999, CoreSTAT was expanded to include all health care practitioners and required DOH to charge a fee to access the core credentials data.<sup>5</sup> Additionally, a thirteen-member Credentials Verification Advisory Council was created to assist with the development of guidelines for establishment of the standardized credentials verification program. In 2000, the Credentials Verification Advisory Council was repealed.<sup>6</sup>

Contracted vendors were also solicited to implement the statutory requirements of the CoreSTAT program. Over the four years it operated, the total cost of the CoreSTAT program was \$14,712,566 and the total revenues collected for the program were \$173,815. The CoreSTAT program was funded by the MQA Trust Fund.<sup>7</sup> Difficulty with implementing the system is believed to have been the reason for repeal.<sup>8</sup>

##### *Credential Verification Entities in Florida*

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<sup>1</sup> "Board" is defined in s. 456.001(1), F.S.

<sup>2</sup> Chapter 98-226, L.O.F.

<sup>3</sup> Department of Health, Changes to CoreSTAT, available at: <http://www.doh.state.fl.us/mqa/corestat/index.htm>, (last visited on Mar. 14, 2013).

<sup>4</sup> *Id.*

<sup>5</sup> Chapter 99-397, L.O.F.

<sup>6</sup> Chapters 2000-318 and 2000-153, L.O.F.

<sup>7</sup> Department of Health bill analysis for amendment 373656 for SB 966, dated March 13, 2013, on file with the House Health Quality Subcommittee staff.

<sup>8</sup> *Id.*

Currently, there are several credentialing entities utilized by health care facilities operating in Florida.

### Reptrax

Reptrax is a web driven software service that aids in the credentialing and monitoring of sales/service representatives in healthcare environments. It allows hospitals to enforce their policies throughout their vendor community, and for vendors to maintain compliance with those policies. Reptrax has over 6,500 vendor companies. Reptrax does 100% of the document management.<sup>9</sup> Currently, there are 107 hospitals using Reptrax in Florida.<sup>10</sup>

### Vendor Credentialing Service

Vendor Credentialing Service (VCS) is a third party credentialing provider. VCS is a web-based credentialing and compliance management program. The program credentials representatives and suppliers. The program can be deployed in a few hours and it is available to all hospitals at no cost. The VCS program is used by leading healthcare institutions nationwide. VCS partners include Group Purchasing Organizations (GPOs), multi-hospital systems, 1000+ bed hospitals, surgery centers, physician offices and offsite medical offices. Additionally, the VCS program is supported by suppliers nationwide and currently credentials thousands of suppliers and representatives.<sup>11</sup> Currently, there are 15 hospitals using VCS in Florida.<sup>12</sup>

### Vendormate

Vendormate links healthcare providers and suppliers to improve the decision making process related to the selection of business partners and employees. Vendormate leverages its vendor credentialing network to deliver software-as-a-service (SaaS) applications that give buyers and sellers increased transparency and information control as a foundation for collaborative and strategic relationships. Vendormate: manages vendor access and influence permissions, monitors sanction and financial details, and credentials all levels including entities, directors, and representatives.<sup>13</sup> Currently, there are 30 hospitals using Vendormate in Florida.<sup>14</sup>

## **Effects of Proposed Changes**

The bill requires DOH to convene a study group that evaluates the need for a statewide primary source verification repository for the core credentials data of health care practitioners.

The bill contains legislative intent for establishing the study group and recognizes that duplication of health care practitioner credentialing activities is costly and cumbersome for both the private and public sector.

The bill requires the study group to address factors including, but not limited to, potential costs, timelines for implementation, procurement options, and the impact on the private sector.

The bill requires the study group to submit recommendations to the Governor, the President of the Senate and the Speaker of the House of Representatives by July 1, 2014.

The bill provides an effective date of July 1, 2013.

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<sup>9</sup> Reptrax, About Reptrax, available at: <https://www.reptrax.com/> (last viewed March 25, 2013).

<sup>10</sup> Hospital Vendor Credentialing, A directory, available at: <http://www.hospitalvendorcredentialing.com/state/stateList.cgi?state=Florida> (last viewed March 25, 2013).

<sup>11</sup> Vendor Credentialing Service, About Us, available at: <http://www.vcsdatabase.com/index.php> (last viewed March 25, 2013).

<sup>12</sup> *Supra* fn 10.

<sup>13</sup> Vendormate, Company: Overview, available at: [http://vendormate.com/company\\_overview.html](http://vendormate.com/company_overview.html) (last viewed March 25, 2013).

<sup>14</sup> *Supra* fn 10.

**B. SECTION DIRECTORY:**

**Section 1.** Creates a study group within DOH and provides requirements.

**Section 2.** Provides an effective date of July 1, 2013.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

**1. Revenues:**

None.

**2. Expenditures:**

The bill has an insignificant negative fiscal impact on DOH that can be absorbed within existing agency resources.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

**1. Revenues:**

None.

**2. Expenditures:**

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

**1. Applicability of Municipality/County Mandates Provision:**

Not applicable. This bill does not appear to affect county of municipal governments.

**2. Other:**

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On April 2, 2013, the Health Care Appropriations Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Directs DOH to convene a study group that evaluates the need for a statewide primary source verification repository for the core credentials data of health care practitioners.
- Provides requirements for the needs assessment.
- Requires the study group to submit recommendations by July 1, 2014.
- Provides an effective date of July 1, 2013.

The analysis reflects the committee substitute.