

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 24, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete everything after the enacting clause and insert the following:  
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3 "SECTION 1. IC 27-8-11-1 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. ~~As used in (a) The~~  
5 **definitions in this section apply throughout** this chapter.  
6 **(b) "Credentialing" means a process through which an**  
7 **insurer makes a determination:**  
8 **(1) based on criteria established by the insurer; and**  
9 **(2) concerning whether a provider is eligible to:**  
10 **(A) provide health care services to an insured; and**  
11 **(B) receive reimbursement for the health care services;**  
12 **under an agreement entered into between the provider and**  
13 **the insurer under section 3 of this chapter.**  
14 **(c) "Health care services":**  
15 (1) means health care related services or products rendered or  
16 sold by a provider within the scope of the provider's license or  
17 legal authorization; and  
18 (2) includes hospital, medical, surgical, dental, vision, and  
19 pharmaceutical services or products.  
20 **(d) "Insured" means an individual entitled to reimbursement for**  
21 **expenses of health care services under a policy issued or administered**  
22 **by an insurer.**  
23 **(e) "Insurer" means an insurance company authorized in this state**  
24 **to issue policies that provide reimbursement for expenses of health care**

1 services.

2 (f) "Person" means an individual, an agency, a political subdivision,  
3 a partnership, a corporation, an association, or any other entity.

4 (g) "Preferred provider plan" means an undertaking to enter into  
5 agreements with providers relating to terms and conditions of  
6 reimbursements for the health care services of insureds, members, or  
7 enrollees relating to the amounts to be charged to insureds, members,  
8 or enrollees for health care services.

9 (h) "Provider" means an individual or entity duly licensed or legally  
10 authorized to provide health care services.

11 SECTION 2. IC 27-8-11-7 IS ADDED TO THE INDIANA CODE  
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
13 1, 2004]: **Sec. 7. (a) This section applies to an insurer that issues  
14 or administers a policy that provides coverage for basic health  
15 care services (as defined in IC 27-13-1-4).**

16 (b) The department of insurance shall prescribe a  
17 credentialing application form for use by:

18 (1) a provider who applies for credentialing by an insurer;  
19 and

20 (2) an insurer in performing credentialing activities.

21 (c) An insurer shall notify a provider concerning a deficiency  
22 on a credentialing application form submitted by the provider not  
23 later than seven (7) business days after the insurer receives the  
24 credentialing application form.

25 (d) An insurer shall notify a provider concerning the status of  
26 the provider's application for credentialing not later than:

27 (1) forty-five (45) days after the insurer receives the  
28 credentialing application form; and

29 (2) every thirty (30) days after the notice is provided under  
30 subdivision (1), until the insurer makes a final credentialing  
31 determination concerning the provider.

32 SECTION 3. IC 27-13-1-10.5 IS ADDED TO THE INDIANA  
33 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2004]: **Sec. 10.5. "Credentialing" means a process  
35 through which a health maintenance organization makes a  
36 determination:**

37 (1) based on criteria established by the health maintenance  
38 organization; and

39 (2) concerning whether a provider may serve as a  
40 participating provider.

41 SECTION 4. IC 27-13-43 IS ADDED TO THE INDIANA CODE  
42 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
43 1, 2004]:

44 **Chapter 43. Credentialing**

45 **Sec. 1. This chapter applies to a health maintenance  
46 organization that provides basic health care services.**

47 **Sec. 2. (a) The department shall prescribe a credentialing**

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**application form for use by:**

- (1) a provider who applies for credentialing by a health maintenance organization; and**
- (2) a health maintenance organization in performing credentialing activities.**

**(b) A health maintenance organization shall notify a provider concerning a deficiency on a credentialing application form submitted by the provider not later than seven (7) business days after the health maintenance organization receives the credentialing application form.**

**(c) A health maintenance organization shall notify a provider concerning the status of the provider's application for credentialing not later than:**

- (1) forty-five (45) days after the health maintenance organization receives the credentialing application form; and**
- (2) every thirty (30) days after the notice is provided under subdivision (1), until the health maintenance organization makes a final credentialing determination concerning the provider."**

(Reference is to SB 24 as introduced.)

**and when so amended that said bill be reassigned to the Senate Committee on Health and Provider Services.**

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GARTON                      Chairperson