

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6057**

**BILL NUMBER:** SB 43

**NOTE PREPARED:** Mar 31, 2005

**BILL AMENDED:** Feb 7, 2005

**SUBJECT:** Health Care Provider Credentialing.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:** Rep. Ripley

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill specifies a credentialing application form for use in accident and sickness insurer and health maintenance organization provider credentialing activities. The bill requires certain provider notifications. It exempts certain providers.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The Department of Insurance (DOI) must prescribe a credentialing application form used by the Council for Affordable Quality Healthcare for use by a provider who applies for credentialing by an insurer or health maintenance organization. ("Credentialing" means a process through which an insurer or health maintenance organization makes a determination based on criteria established by the insurer concerning whether a provider is eligible to provide health care services to an insured and receive reimbursement for the health care services under an agreement entered into between the provider and the insurer.) The proposal will result in an increase in administrative expenses for the DOI. The DOI should be able to absorb any additional costs given its current budget and resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.