

205.532 Definitions for KRS 205.532 to 205.536 -- Contracts for Medicaid services by managed care organizations -- Credentialing verification organization -- Enrollment and contract after receipt of credentialing packet -- Failure to agree on terms and conditions -- Application date -- Credentialing verification by university hospitals. (Effective January 1, 2019)

- (1) As used in KRS 205.532 to 205.536:
 - (a) "Clean application" means a credentialing application submitted by a provider to a credentialing verification organization that:
 1. Is complete; and
 2. Does not lack any required substantiating documentation;
 - (b) "Credentialing application date" means the date that a credentialing verification organization receives a clean application from a provider;
 - (c) "Credentialing verification organization" means an organization that gathers data and verifies the credentials of providers in a manner consistent with federal and state laws and the requirements of the National Committee for Quality Assurance. "Credentialing verification organization" is limited to the following:
 1. An organization designated by the department pursuant to subsection (3)(a) of this section; and
 2. Any bona fide, nonprofit, statewide, health care provider trade association, organized under the laws of Kentucky, that has an existing contract with the department or a managed care organization, as of July 1, 2018, to perform credentialing verification activities for its members, providers who are employed by its members, or providers who practice at the members' facilities;
 - (d) "Department" means the Department for Medicaid Services;
 - (e) "Medicaid managed care organization" or "managed care organization" means an entity for which the department has contracted to serve as a managed care organization as defined in 42 C.F.R. sec. 438.2;
 - (f) "Provider" has the same meaning as in KRS 304.17A-700; and
 - (g) "Request for proposals" has the same meaning as in KRS 45A.070.
- (2) On and after January 1, 2019, every contract entered into or renewed for the delivery of Medicaid services by a managed care organization shall be in compliance with KRS 205.522, 205.532 to 205.536, and 304.17A-515.
- (3)
 - (a) Through a request for proposals, the department shall designate a single organization as a credentialing verification organization to verify the credentials of providers on behalf of the department and all managed care organizations.
 - (b) Following the department's designation pursuant to this subsection, the contract between the department and the designated credentialing verification organization shall be submitted to the Government Contract Review Committee of the Legislative Research Commission for comment and review.

- (c) A credentialing verification organization shall be reimbursed on a per provider credentialing basis by the department. This expense shall be reduced from Medicaid managed care organizations capitation rates.
- (d) Each provider seeking to be enrolled in Medicaid and credentialed with the department and a Medicaid managed care organization shall submit a single credentialing application to the designated credentialing verification organization, or to an organization meeting the requirements of subsection (1)(c)2. of this section, if applicable. The credentialing verification organization shall:
 - 1. Gather all necessary documentation from each provider;
 - 2. Within five (5) days of receipt of a credentialing application, notify the provider in writing if the application is complete;
 - 3. Review an application for any misstatement of fact or lack of substantiating documentation;
 - 4. Provide verified credentialing packets to the department and to each managed care organization as requested by the provider within thirty (30) calendar days of receipt of a clean application; and
 - 5. Conduct reevaluations of provider documentation when required by state or federal law or for the provider to maintain participation status with the department or a managed care organization.
- (4) (a) The department shall enroll a provider within thirty (30) calendar days of receipt of a verified credentialing packet for the provider from a credentialing verification organization. The date of enrollment shall be the date that the provider's clean application was initially received by a credentialing verification organization.
- (b) A Medicaid managed care organization shall:
 - 1. Determine whether it will contract with the provider within thirty (30) calendar days of receipt of the verified credentialing packet from the credentialing verification organization; and
 - 2. a. Within ten (10) days of an executed contract, ensure that any internal processing systems of the managed care organization have been updated to include:
 - i. The accepted provider contract; and
 - ii. The provider as a participating provider.
 - b. In the event that the loading and configuration of a contract with a provider will take longer than ten (10) days, the managed care organization may take an additional fifteen (15) days if it has notified the provider of the need for additional time.
- (5) Nothing in this section requires a Medicaid managed care organization to contract with a provider if the managed care organization and the provider do not agree on the terms and conditions for participation.
- (6) (a) For the purpose of reimbursement of claims, once a provider has met the

terms and conditions for credentialing and enrollment, the provider's credentialing application date shall be the date from which the provider's claims become eligible for payment.

- (b) A Medicaid managed care organization shall not require a provider to appeal or resubmit any clean claim submitted during the time period between the provider's credentialing application date and a managed care organization's completion of its credentialing process.
- (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.

Effective: January 1, 2019

History: Created 2018 Ky. Acts ch. 106, sec. 1, effective January 1, 2019.

Legislative Research Commission Note (1/1/ 2019). As enacted in 2018 Ky. Acts ch. 106, sec. 1, subsection (2) of this statute contains the phrase "the effective date of this Act." The phrase is ambiguous, since the Act has two effective dates: some sections are effective on January 1, 2019, and some are effective on July 14, 2018. In codifying this statute, the Reviser of Statutes has chosen January 1, 2019, as the proper date to be substituted for the phrase "the effective date of this Act" in this subsection, since the effective date of KRS 205.532 is January 1, 2019. See KRS 7.136(1).