
A BILL FOR AN ACT

RELATING TO CREDENTIALING OF HEALTH CARE PROVIDERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the credentialing of
2 health care providers is a well-established risk management and
3 patient safety practice that involves the collection and
4 verification of a health care provider's qualifications required
5 for a health care provider to render services and receive
6 reimbursement. Credentialing practices are largely uniform
7 across the country because the standards are established by
8 major payors like the United States Department of Health and
9 Human Services, Centers for Medicare and Medicaid Services, and
10 by private sector health care facility and health plan
11 accreditation programs.

12 Entities that require credentialing of health care
13 providers include hospitals, universities, clinics, health
14 plans, and independent practice associations. The credentialing
15 process involves the verification and periodic reverification of
16 a nearly identical set of core information for the same pool of



1 health care providers such as relevant training, licensure,
2 certifications, and registrations.

3 The legislature finds that duplicative credentialing
4 diverts resources from other priorities including patient care
5 and contributes to higher health care costs. A centralized
6 credentialing system, such as the one used by the Ohio
7 department of medicaid can create benefits that improve
8 efficiency and quality of health care services. It can reduce
9 workflows, overall system costs, and provider frustration, and
10 can increase patient access as providers are verified to
11 participate in health plans more easily and quickly to provide
12 care at health facilities.

13 The legislature further finds that a centralized
14 credentialing pilot project can reduce unnecessary paperwork,
15 improve provider recruitment and retention, and ultimately
16 increase patient access.

17 Accordingly, the purpose of this Act is to require the
18 department of health to establish a two-year pilot program that
19 establishes a centralized credentialing entity to which
20 providers submit their information and fees one time and from
21 which multiple end-users such as hospitals, universities,



1 clinics, health plans, and independent practice associations can
2 access that information.

3 SECTION 2. (a) The department of health shall establish a
4 two-year centralized health care credentialing pilot program to
5 improve patient access to health care by reducing the
6 administrative burden related to credentialing. The pilot
7 program shall:

8 (1) Review existing credentialing practices in the
9 community;

10 (2) Establish agreements with participating credentialing
11 entities to coordinate credentialing activities,
12 including roles and responsibilities; and

13 (3) Establish and measure pre- and post-intervention
14 process measures and outcome measures.

15 (b) The pilot program may include the following health
16 care provider verification services, or others as determined by
17 the department of health:

18 (1) Training and education, including dates of
19 post-graduate education or training and completion of
20 residencies or practicums in a specialty;



(2) Licensing and certification, including licensure status in the State of Hawaii, national provider identifier number, active United States Drug Enforcement Agency number, certificate of controlled dangerous substances, and eligibility to participate in medicare or medicaid;

(3) Work history details, including a five-year work history, explanations for gaps longer than six months, and histories of loss of license, felony convictions, and loss of privileges; and

(4) Active and sufficient malpractice insurance including malpractice history.

(c) The department of health shall incorporate credentialing standards published by the Joint Commission, National Committee on Quality Assurance, or other relevant entities into policies and procedures as applicable.

(d) The department of health may partner with private sector entities and may accept financial and in-kind donations from private sector entities to operate the pilot program.

(e) The department of health shall convene an advisory committee to make recommendations to the department on the



1 implementation and operation of the pilot program. The members
2 shall include:

- 3 (1) A representative from the Hawaii health systems
4 corporation;
- 5 (2) A representative from the university of Hawaii John A.
6 Burns School of Medicine;
- 7 (3) A representative from the Healthcare Association of
8 Hawaii to be invited by the director of health;
- 9 (4) A representative from the Hawaii Medical Association
10 to be invited by the director of health;
- 11 (5) A representative from the Hawaii Association of Health
12 Plans to be invited by the director of health;
- 13 (6) A representative from the Hawaii Primary Care
14 Association to be invited by the director of health;
15 and
- 16 (7) Any other entity invited by the director of health.

17 (f) The department of health may contract for all or part
18 of the pilot program.

19 (g) The department of health shall submit a report to the
20 legislature of its finding and recommendations, including any



1 proposed legislation, no later than twenty days prior to the
2 convening of the regular sessions of 2026 and 2027.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$250,000 or so much
5 thereof as may be necessary for fiscal year 2025-2026 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2026-2027 to carry out the purposes of this Act, including for
8 the establishment and administration of a two-year centralized
9 health care credentialing pilot program.

10 The sums appropriated shall be expended by the department
11 of health for the purposes of this Act.

12 SECTION 4. This Act shall take effect on December 31,
13 2050.



Report Title:

DOH; Centralized Health Care Credentialing Pilot Program;
Appropriations; Reports

Description:

Requires the Department of Health to establish a two-year Centralized Health Care Credentialing Pilot Program that reduces duplicative activities required for the credentialing of health care providers by hospitals, universities, clinics, health plans, and independent practice associations; and convene an advisory committee. Requires reports to the Legislature. Appropriates funds. Effective 12/31/2050. (SD1)

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