



## 2023 ASSEMBLY BILL 1187

April 9, 2024 - Introduced by Representative MCGUIRE. Referred to Committee on Insurance.

\*\*\*AUTHORS SUBJECT TO CHANGE\*\*\*

1     **AN ACT** *to amend* 609.32 (2) (a); and *to create* 609.32 (2) (am) of the statutes;  
2           **relating to:** provisional approval as a participating provider in a defined  
3           network health plan.

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### *Analysis by the Legislative Reference Bureau*

This bill requires defined network plans to issue provisional approvals to individual health care providers who submit a completed application, contract, or letter of intent to become a participating provider in a plan's network and who agree to the plan's terms for providers of the same type. Defined network plans are health benefit plans that require or provide incentives for their enrollees to use providers that are managed, owned, under contract with, or employed by the insurer that offers the health benefit plan. Defined network plans include such plans as health maintenance organizations, including, for purposes of this bill, health maintenance organizations that serve Medical Assistance recipients, and some preferred provider plans. Current law requires defined network plans to develop a process for selecting and establishing minimum professional requirements for participating providers, which must include verifying providers' credentials and the history of any liability claims made against providers. The bill requires a defined network plan to ensure that any entity that it contracts with to perform review or verification also complies with the bill. The bill requires defined network plans to notify providers of the final approval or denial of participating provider status in writing along with the effective date of the approval or denial.

A provisional approval under the bill allows the applicant provider to provide services and obtain reimbursement as if the applicant is a participating provider

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under the plan before the applicant attains final approval to be a participating provider effective on the date the plan receives the provider's application, contract, or letter of intent. The bill prohibits a plan from recouping any payments it makes to a provider during the period the provisional approval is effective. If the plan ultimately denies the provider's application, contract, or letter of intent, the plan must reimburse the provider for services provided during the period the provisional approval was effective for at least two weeks following the date that the provider's application, contract, or letter of intent is denied.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 609.32 (2) (a) of the statutes is amended to read:

2           609.32 (2) (a) A defined network plan shall develop a process for selecting  
3 participating providers, including written policies and procedures that the plan uses  
4 for review and approval of providers. After consulting with appropriately qualified  
5 providers, the plan shall establish minimum professional requirements for its  
6 participating providers. The process for selection shall include verification of a  
7 provider's license or certificate, including the history of any suspensions or  
8 revocations, and the history of any liability claims made against the provider. The  
9 defined network plan shall issue a provisional approval to an individual provider  
10 who submits a completed application, contract, or letter of intent to become a  
11 participating provider and who agrees to comply with the terms of the plan that are  
12 applicable to providers of the same type as the applicant. A health maintenance  
13 organization that serves Medical Assistance recipients shall comply with this  
14 paragraph when considering the selection of a provider who is certified by the  
15 department of health services under the Medical Assistance program. A defined  
16 network plan shall ensure that any entity it contracts with to perform review or  
17 verification of a provider's application, contract, or letter of intent to become a  
18 participating provider complies with this paragraph. A defined network plan shall

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1 notify a provider in writing of the final approval or denial of an application, contract,  
2 or letter of intent to become a participating provider and the effective date of the final  
3 approval or denial.

4 **SECTION 2.** 609.32 (2) (am) of the statutes is created to read:

5 609.32 (2) (am) All of the following apply to a provisional approval issued under  
6 par. (a):

7 1. The provisional approval shall allow the provider to provide services and  
8 obtain reimbursement under the defined network plan as if the provider was a  
9 participating provider before the provider attains final approval or denial as a  
10 participating provider.

11 2. The provisional approval is effective on the date the defined network plan  
12 receives the application, contract, or letter of intent.

13 3. A defined network plan may not recoup any payments to a provider made  
14 during the period a provisional approval is effective.

15 4. A defined network plan shall reimburse a provider for services provided  
16 during the period the provisional approval was effective for at least 2 weeks following  
17 the date that the provider's application, contract, or letter of intent is denied.

18 **SECTION 3. Initial applicability.**

19 (1) This act first applies to applications, contracts, and letters of intent to  
20 become a participating provider received by a defined network plan on the effective  
21 date of this subsection.

22 **SECTION 4. Effective date.**

23 (1) This act takes effect on the first day of the 4th month beginning after  
24 publication.

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(END)