

## CONCURRENCE IN SENATE AMENDMENTS

AB 1041 (Bennett)

As Amended August 29, 2025

Majority vote

**SUMMARY**

*Requires a full service health care service plan (health plan), a health insurer or its delegate to subscribe to and use the most recent version of the Council for Affordable Quality Healthcare (CAQH) credentialing form, and to comply with the CAQH credentialing processes on or after January 1, 2028. Requires a health plan, health insurer or its delegate to only request additional information from a provider to clarify and confirm information that is provided on the CAQH credentialing form, including verification of information not specifically disclosed on the provider's application. Requires, effective one year from the operative date of this bill, a health plan, health insurer, or its delegate that credentials health care providers for its networks to make a determination regarding the credentials of a health care provider within 90 days after receiving a completed provider credentialing application, including all required third-party verifications. Requires the 90-day timeline to apply only to the credentialing process and not the completion of contracting. Exempts Medi-Cal managed care contracts with the Department of Health Care Services (DMHC) from the provisions of this bill.*

*Major Provisions*

- 1) Requires health plans, insurers or their delegates to minimize the number of requests for additional information from providers.*
- 2) Requires health care providers to respond to the request within 10 business days, and requires a provider to submit their credentialing form and maintain their credentialing information in the CAQH database in a manner consistent with CAQH standards.*
- 3) Requires a health plan, insurer or its delegate, upon receipt of the application by the credentialing department, to notify the applicant within 10 business days to verify receipt and inform the applicant whether the application is complete. Requires the health plan or health insurer to activate the provider upon successful approval and notify the applicant of the activation within 10 days of approval if the approval occurs prior to the end of the 90-day timeline.*
- 4) Requires, if the health plan, health insurer or its delegate does not meet the 90-day requirement, the applicant's credentials to be provisionally approved for 120 days unless any of the following apply:*
  - a) The applicant is subject to discipline by the licensing entity for that applicant;*
  - b) The applicant has one or more adverse action reports or one or more reports of malpractice payments filed with the National Practitioner Data Bank; or,*
  - c) The applicant has not been credentialed by the health plan or health insurer in the past five years.*

**Senate Amendments**

Delete the requirement in the Assembly-approved version of this bill that would have required the DMHC and California Department of Insurance (CDI) to adopt the National Committee for Quality Assurance (NCQA) standardized credentialing form to be used by full service health plans and health insurers and their designees for the purpose of credentialing providers by January 1, 2028.

**COMMENTS**

Credentialing is the process by which documentation for each individual physician or provider is reviewed to determine participation in a health plan's network. Such documentation may include, but is not limited to, the applicant's education, training, clinical privileges, experience, licensure, accreditation, certifications, professional liability insurance, malpractice history, professional competency, and physical and mental impairments.

*CAQH is a nonprofit alliance of health plans and trade associations founded in 2000 that develops industry-wide initiatives to simplify and standardize administrative processes in health care. One of CAQH's functions is in provider credentialing through its CAQH ProView platform. CAQH ProView is an online database where health care providers can enter and maintain their professional and practice information (e.g., licenses, certifications, malpractice history, work history, and hospital affiliations). Instead of filling out separate credentialing applications for every health plan, hospital, or health system, providers submit their information once in ProView. Health plans and other organizations can then access the data directly to verify provider qualifications when contracting with them.*

**According to the Author**

This bill is necessary to streamline the physician credentialing process, which is laden with delays, administrative hurdles, and a lack of transparency. The author continues that as a representative from a semi-rural area, he knows firsthand how impactful the provider shortage is on our rural and underserved communities. The author concludes that this bill seeks to reduce the administrative burden to ensure doctors can begin seeing patients in a more timely fashion.

**Arguments in Support**

The Physician Association of California (PAC), sponsor of this bill, state that it seeks to streamline the provider credentialing process, establish requirements that promote accountability and transparency, and ease administrative burdens on independent physicians that will result in timely access to care for patients. PAC continues that their physicians spend an inordinate amount of time and effort dealing with bureaucratic processes with different insurance companies which force them to take time away from providing direct patient care. PAC states that the credentialing processes can take four to six months, and multiple information submissions, which further distracts physicians in delivering necessary care and expanding health care access to patients throughout the state. PAC continues that the delays that result from the current credentialing process cause physician shortages, as qualified physicians are unable to see patients while they await credentialing from a health plan or insurers, particularly impacting underserved populations in rural and low-income areas. PAC argues that the conditional approval process in this bill maintains necessary safeguards by ensuring providers meet fundamental competency and licensure requirements before practicing. PAC concludes that at the same time, this bill streamlines administrative burdens and enhances workforce efficiency,

making it a balanced solution that benefits providers, healthcare facilities, and, most importantly, patients.

**Arguments in Opposition**

*The California Medical Association (CMA) writes in opposition to the use of a single, standardized credentialing form developed by the CAQH across all full-service health plans and insurers. CMA argues this "one-size-fits-all" approach removes the ability of provider groups, along with health plans, to adopt credentialing processes that are tailored to their specific organizational structures, patient populations, and clinical specialties. The diversity of provider types and practice models in California necessitates a more flexible system than what this bill allows. CMA argues that, while large institutions may have the capacity to transition to the CAQH system, many small to mid-sized provider groups – including many of rural physicians working in medically underserved areas – face significant financial and technical barriers to compliance. The required system integration, training, and ongoing updates would demand substantial administrative resources, pulling critical attention away from patient care without demonstrable benefit. Rather than reducing duplication, the bill risks creating new layers of complexity and adding additional administrative burdens. CMA concludes that there is no evidence that mandatory adoption of CAQH forms universally improves credentialing timelines or quality, and ultimately, the administrative cost of complying with the new centralized system will increase overhead for provider groups without clear improvements in credentialing speed or quality.*

**FISCAL COMMENTS**

*According to the Senate Appropriations Committee, unknown costs, likely minor, for the DMHC and CDI for state administration.*

**VOTES:****ASM HEALTH: 12-0-3**

**YES:** Bonta, Addis, Aguiar-Curry, Arambula, Carrillo, Mark González, Krell, Patel, Celeste Rodriguez, Schiavo, Sharp-Collins, Stefani

**ABS, ABST OR NV:** Chen, Flora, Sanchez

**ASM APPROPRIATIONS: 11-0-4**

**YES:** Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

**ABS, ABST OR NV:** Sanchez, Dixon, Ta, Tangipa

**ASSEMBLY FLOOR: 61-2-16**

**YES:** Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ward, Wicks, Wilson, Zbur, Rivas

**NO:** Davies, DeMaio

**ABS, ABST OR NV:** Alanis, Castillo, Chen, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Sanchez, Ta, Tangipa, Valencia, Wallis

**UPDATED**

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