
SENATE COMMITTEE ON HEALTH

Senator Akilah Weber Pierson, Chair

BILL NO: AB 1199
AUTHOR: Patterson
VERSION: June 11, 2026
HEARING DATE: July 1, 2026
CONSULTANT: Vincent D. Marchand

SUBJECT: Medical staff: health care provider credentialing

SUMMARY: Requires the medical staff of hospitals to be reappointed every three years, rather than every two years, and prohibits the California Department of Public Health from requiring hospitals to undertake routine reappointments more frequently than every three years.

Existing law:

- 1) Prohibits, within the Medical Practice Act, corporations and other artificial legal entities from having any professional rights, privileges, or powers. However, permits the Medical Board of California, in its discretion, to grant approval of the employment of physicians on a salary basis by licensed charitable institutions, foundation, or clinics, if no charge for professional services rendered to patients is made by any such institution, foundation, or clinic. This is known as the ban on the corporate practice of medicine (CPM) Establishes certain exemptions from the CPM, including certain clinics, university medical schools, and county hospitals. [BPC §2400 and §2401]
- 2) Requires the board of directors of a hospital to establish rules that provide for the organization of a medical staff with appropriate officers and bylaws, and with staff appointments on an annual or biennial basis. Requires membership on the medical staff to be restricted to physicians and other license practitioners competent in their respective fields and worthy in professional ethics. Requires the medical staff to be self-governing with respect to the professional work performed in the hospital, and to meet periodically and review and analyze at regular intervals their clinical experience, and requires the medical records of patients to be the basis for such review and analysis. [BPC §2282]
- 3) Requires the medical staff's right of self-governance to include establishing criteria for medical staff membership and privileges, and enforcing those criteria; establishing clinical criteria and standards to oversee and manage quality assurance, utilization review, and other medical staff activities; selecting and removing medical staff officers; and, initiating, developing, and adopting medical staff bylaws, rules, and regulations, subject to approval of the hospital governing board, which approval shall not be unreasonably withheld. [BPC §2282.5]

Existing regulations:

- 1) Defines the governing body of a hospital as the person, persons, board of trustees, directors, or other body in whom the final authority and responsibility is vested for the conduct of the hospital. [22 CCR §70035]
- 2) Requires the governing body of a hospital to adopt written bylaws in accordance with legal requirements and its community responsibility, which are required to include, among other provisions, the following:
 - a) Identification of the purposes of the hospital and the means of fulfilling them;

- b) Appointment and reappointment of members of the medical staff;
 - c) Formal organization of the medical staff with appropriate officers and bylaws; and,
 - d) Self-government by the medical staff with respect to the professional work performed in the hospital. [22 CCR §70701(a)(1)]
- 3) Requires each hospital to have an organized medical staff responsible to the governing body for the adequacy and quality of the care rendered to patients, composed of physicians and, where dental or podiatric services are provided, dentists or podiatrists. [22 CCR §70703(a)]
 - 4) Requires the medical staff, by a vote of the members and with the approval of the governing body, to adopt written by-laws which provide formal procedures for the evaluation of staff applications and credentials, appointments, reappointments, assignment of clinical privileges, appeals mechanisms, and such other subjects or conditions which the medical staff and governing body deem appropriate. [22 CCR §70703(b)]
 - 5) Requires medical staff by-laws, rules, and regulations to include provision for the performance of certain functions, including the following: executive review, credentialing, medical records, tissue review, utilization review, infection control, and pharmacy and therapeutics. [22 CCR §70703(d)]

This bill:

- 1) Requires the medical staff of a hospital to be reappointed at least every three years, rather than on an annual or biennial basis, and also extends a requirement that physicians demonstrate their ability to perform surgical and other procedures competently from every two years to every three years.
- 2) Prohibits the California Department of Public Health from requiring a hospital to undertake routine reappointments more frequently than every three years, consistent with the above changes.

FISCAL EFFECT: This bill has not been analyzed by a fiscal committee.

PRIOR VOTES:

Senate Business, Professions and Economic
Development Committee:

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COMMENTS:

- 1) *Author's statement.* According to the author, California's recredentialing deadlines are out of step with federal standards and industry practices. This leads to medical professionals being bogged down with administrative procedure instead of saving lives and healing people. This bill corrects this issue. Adjusting the recredentialing cycles to three years, instead of the current two years, will improve efficiency while maintaining the safeguards necessary for the medical field.
- 2) *Background.* The author points to a number of organizations that do accreditations on a three year cycle, including the Joint Commission, Acute Care Hospital Accreditation, and the Accreditation Association for Ambulatory Health Care. Additionally, the author points to the 36-month reaccreditation cycle for providers and suppliers accredited by the Centers for Medicare and Medicaid Services (CMS) or CMS-approved accrediting organizations. Specifically regarding medical staffs at hospitals, the author cites information from National

Association Medical Staff Services (NAMSS), which includes more than 6,000 medical staff and credentialing services professionals from medical group practices, hospitals, managed care organizations and credentials verification organizations. According to their website, “NAMSS supports revising regulatory and accreditation policies to extend the reappointment cycle for licensed independent practitioners from two years to three years.” According to NAMSS, a three-year reappointment cycle would align with health plans’ re-credentialing schedules and enable medical services professionals to more effectively perform ongoing professional practice evaluation on credentialed and privileged practitioners. A three-year reappointment would reduce the burdens that overlapping evaluations have on practitioners, the costs health systems incur from practitioner evaluations, and the amount of time medical services professionals spend performing redundant administrative tasks.

- 3) *Double referral.* This bill was heard in the Senate Business, Professions, and Economic Development Committee on June 22, 2026, and passed with a 10-0 vote.
- 4) *Prior legislation.* SB 642 (Kamlager of 2021) would have prohibited a health facility from requiring a physician, as a condition of obtaining clinical privileges, to agree to comply with policies that are not ratified by the medical staff, that directly or indirectly restrict the ability of the physician to provide a particular medical treatment, or from requiring a physician to obtain permission from a nonphysician to perform a medical treatment for which consent has been obtained from the patient, with certain exceptions. *SB 642 was held on the Senate Appropriations Committee suspense file.*
- 5) *Support.* The California Hospital Association and the California Medical Association support this bill, stating that it is a common-sense update that would align California with current federal and national accreditation standards. This bill would not weaken patient protections, as hospitals continuously monitor practitioner performance through ongoing professional practice evaluations, peer review, quality improvement activities, and focused reviews whenever concerns arise. The Physician Association of California states in support that independent physicians oftentimes lack large administrative teams, meaning they face significant costs and lose invaluable direct patient care time when faced with redundant and unnecessary administrative burdens. This bill allows physicians to spend less time on repetitive paperwork and more time on patient care.

SUPPORT AND OPPOSITION:

Support: California Hospital Association
 California Medical Association
 Physician Association of California

Oppose: None received

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