



## Provider Alert

**To:** Sharp Health Plan Mental Health Providers and Provider Office Staff  
**From:** Sharp Health Plan  
**Date:** December 15, 2022  
**Subject:** AB 2581: Mental Health and Substance Use Disorder

Dear Provider Partner:

This communication is to inform you of the newly enacted California state legislation Assembly Bill 2581 – Health Care Coverage: Mental Health and Substance Use Disorders.

This bill, effective January 1, 2023, establishes new requirements for credentialing mental health and substance use disorder providers.

- Provider qualifications must be verified and assessed within 60 days after receiving a completed credentialing application.
  - Upon receipt of an application, applicants should be notified within seven business days that the application is complete.
- The 60-day time frame only applies to the credentialing process and excludes contracting completion.

Please reference the attached document to review legislation information.

Thank you,

Sincerely,

Sharp Health Plan  
Provider Account Management  
[provider.relations@sharp.com](mailto:provider.relations@sharp.com)  
Tel: 1-858-499-8330 | Fax: 1-858-303-9049

NOTICE: The information contained in this facsimile message may be privileged and confidential and is only for whom it was intended. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver the message to the intended recipient, the reader is hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If this communication has been received in error, please notify Sharp Health Plan at the telephone number listed below immediately and destroy all information received.

**AB-2581 Health care coverage: mental health and substance use disorders: provider credentials.** (2021-2)**As Amends the Law Today****SECTION 1.** *Section 1374.197 is added to the Health and Safety Code, to read:*

**1374.197.** (a) *For provider contracts issued, amended, or renewed on and after January 1, 2023, a health care service plan that provides coverage for mental health and substance use disorders and that credentials health care providers of those services for its networks shall assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the health care service plan shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete. The 60-day timeline shall apply only to the credentialing process and does not include contracting completion.*

(b) *For the purposes of this section, "mental health and substance use disorder" and "health care provider" have the same meanings as defined in Section 1374.72.*

**SEC. 2.** *Section 10144.56 is added to the Insurance Code, to read:*

**10144.56.** (a) *For provider contracts issued, amended, or renewed on and after January 1, 2023, a disability insurer that provides coverage for mental health and substance use disorders and that credentials health care providers of those services for its networks shall assess and verify the qualifications of a health care provider within 60 days after receiving a completed provider credentialing application. Upon receipt of the application by the credentialing department, the disability insurer shall notify the applicant within seven business days, to verify receipt and inform the applicant whether the application is complete. The 60-day timeline shall apply only to the credentialing process and does not include contracting completion.*

(b) *For the purposes of this section, "mental health and substance use disorder" and "health care provider" have the same meanings as defined in Section 10144.5.*

**SEC. 3.** *No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*