The Guide to Credentialing

Credentialing made clear.

This article discusses common issues with credentialing & re-credentialing. We've included a checklist to help you better understand the credentialing process, and how credentialing services can make things easier.

INSURANCE & HOSPITAL CREDENTIALING CAN BE A MAJOR CHORE, ESPECIALLY FOR SMALL PRACTICES.

For a variety of reasons, independent physicians & small practices usually must dedicate a higher proportion of their resources to credentialing. That's why efficient & cost-effective credentialing services are extremely important for small practices.

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What is Medical Credentialing?

Medical credentialing is the process by which healthcare organizations review & authorize physicians & other practitioners to provide care within their networks. Credentialing is an essential safety component of the healthcare system, because the credentialing process verifies whether a physician is indeed qualified to practice.

Credentialing could also be considered the first step of the revenue cycle management process, since insurance companies will only pay claims from credentialed physicians.

A credentialing application generally requires:

- Complete education history & transcripts
- Complete work history
- Current medical license, board certification, & DEA registration
- Up-to-date personal health history & immunization records
- Proof of continuous malpractice coverage
- Personal & professional references

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- Thorough explanation of any gaps in history or other anomalies

And that's just a partial list.

For a more detailed discussion of the history & purpose of medical credentialing, see this article from the NIH.

From the physician's perspective, the credentialing process may seem stringent to the point of excess. Reviewers invariably check every reference, scrutinize every attestation, and verify each element of the applicant's history from the primary source. Even a single minor error or omission in a credentialing application can lead to prolonged delays. Given the sheer number & variety of components in a credentialing application, errors, delays, and administrative difficulties can seem all but inevitable.

DIY credentialing will usually involve a large Excel document with many sheets to track all the different components & deadlines. It will take time & significant effort.

However, a diligent credentialing service, that is intimately familiar with the process & regulations, using up-to-date systems & technology, will make the credentialing process much faster & easier.

What Credentialing Services Do

A credentialing service organizes & manages credentialing applications for physicians and other stakeholders, to ensure that the credentialing process proceeds as efficiently as possible.

Because credentialing services have detailed knowledge of the credentialing process - and because they're not distracted by other tasks - they are usually better equipped than physicians or their staff to resolve any delays or issues in a timely manner. Ideally this means credentialing takes less time overall, requires fewer physician & staff resources, is less expensive, and (perhaps most important) allows the physician to begin billing for services at an earlier date.

Credentialing services generally provide three main categories of service for practitioners:

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- Initial credentialing services

- Re-credentialing services

- Management of "expirables"

Your own credentialing needs will depend on where you are in your practice & career. Credentialing is certainly an essential component of the practice start-up process, and if you're just starting out, you'll also be submitting your initial credentialing applications. If you've been practicing for a little while, your needs will be mostly related to maintenance & renewals.

INITIAL CREDENTIALING SERVICES

Providers who are not yet credentialed with a specific entity will need to go through the initial credentialing process. This can occur when you:

- First graduate from school & begins practice.

- Move to a new state or country.

- Move from one employer to another.

- Move from employment to private practice.

- Open a new practice.

- Want to accept new insurance from patients.

- Return to practice after a period of not practicing.

An initial credentialing application will usually require more work, because many components of the application must be submitted & verified for the first time. Some of these components, such as education history, previous work history, and personal references, only need to be verified once, with your initial application. Primary source verification can add weeks or months to the timeline.

New providers often don't realize that credentialing must be completed before you can see patients. Delays in the initial credentialing process can prevent you from working, from being paid by insurance companies, or both.

RE-CREDENTIALING SERVICES

The "re-credentialing" process is essentially a periodic inspection of each provider to ensure that he or she is still qualified & able to practice within a

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given network. The purpose of a "re-credentialing" or credentialing maintenance service is to ensure this renewal process goes smoothly. From the provider's perspective, re-credentialing should be seamless. Unlike initial credentialing, you may hardly be aware of the re-credentialing process. This is important, because you will be working & caring for patients during this process, so any issue with re-credentialing would almost certainly affect your ability to provide or be reimbursed for care.

A primary job of a re-credentialing service is to keep track of deadlines, and ensure that all applications are submitted well before the due date, allowing ample time to resolve any issues that may arise. If this is not done, the provider may lose credentials, perhaps even due to a minor error in the application.

One reason re-credentialing is usually easier is that many elements of the initial application, such as education & work history, do not change, & thus do not need to be reverified. However, many other components of a provider's application can change, and are therefore scrutinized with the same diligence as during the initial credentialing process. These include:

- Licenses, certifications, attestations, & other time-sensitive documents (referred to as "expirables")
- Work history
- Review of any malpractice claims or other issues

Management of "expirables" is a prerequisite to re-credentialing, but somewhat distinct from the re-credentialing process itself. Therefore, some companies offer "expirables management" as a separate service.

EXPIRABLES MANAGEMENT SERVICES
Some of the licenses, documents, certifications, and attestations required for credentialing include:

- State medical license
- Council for Affordable Quality Healthcare (CAQH) attestations & profile
- DEA license
- Board certification

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- Proof of insurance coverage

Each "expirable" has its own renewal period, and often its renewal process must be initiated well before the actual expiration date to allow for processing time, and to factor in potential delays.

Offices that manage expirables in-house may use software platforms such as expirationreminder.net, OurRecords, SmartSheet, or similar services. A robust Excel spreadsheet can also do the job.

Regardless of what tools you use, management of expirables is essential to ensuring that the re-credentialing process goes smoothly, as well as for any new initial credentialing the provider may seek. It is vital to ensure there is no lapse in the validity of any expirables, because such a lapse may result in automatic loss of credentials, and may also complicate the re-credentialing process, sometimes for years to come.

Types of Credentialing

Provider credentialing falls into two main categories:

1. Insurance credentialing
2. Hospital credentialing

There is a fair amount of overlap between the two, but also some very important differences in terms of both purpose & the types of documentation required.

INSURANCE CREDENTIALING

The purpose of credentialing with insurance companies is to allow a provider to see patients with that particular insurance & then bill for services. If insurance credentialing is not completed, the physician will not be paid.

From a credentialing perspective, there are three main categories of insurance providers:

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- Government payers
- CAQH payers
- Non-CAQH payers

Credentialing with each of these types of payers entails a somewhat different process.

Credentialing with government payers

Credentialing with Medicare & Medicaid is best done through the online Provider Enrollment, Chain, and Ownership System (PECOS). This is standardized throughout the country. State-based government payers each have their own credentialing process, though these are generally quite similar to the PECOS system.

Credentialing with CAQH payers

The Council for Affordable Quality Healthcare is a nonprofit organization that establishes standards and provides tools to streamline the insurance credentialing process for commercial payers. Commercial insurance providers around the country use CAQH standards & tools as a core component of their credentialing process, though they may include supplemental segments of the application as well.

Credentialing with non-CAQH payers

While many of the largest health plans use CAQH standards, there are still many commercial payers that use CAQH tools & standards in a limited capacity, or not at all, in their credentialing process. Because these applications are not standardized, the provider & credentialing service must have all documents in order and address each non-CAQH payer's credentialing process individually.

HOSPITAL CREDENTIALING

Credentialing with a particular hospital or hospital system allows a physician to see patients within that hospital. Physicians who are on staff at a hospital

will address credentialing through their employer, and while not a simple process, staff physicians do have institutional support in their credentialing.

However, physicians seeking affiliate status at a particular hospital must navigate the credentialing process independently, with minimal support from the hospital itself. Independent physicians usually must list one or more other physicians who may provide backup coverage for their patients. Naturally, these alternate physicians must already be credentialed at that hospital. A physician listed as a backup may also serve as a reference for the applicant.

Due to the need for backup coverage, networking and personal relationships are a major factor in hospital credentialing. Established physicians have a key role in accepting new physicians into a particular hospital or network.

In many cases, outside physicians actually encounter resistance from within the network, as established physicians may see them as competition. Navigating these relationships can be a challenge for new physicians. A skilled hospital credentialing service should be able to advise you in such situations.

In-House Vs. Outsourced Credentialing
Can your staff do your credentialing?

For larger practices, that's often the best approach. We find that once a group has between 30-50 practitioners, it generally makes sense to hire a full-time staff member dedicated to credentialing. Hospital systems & larger group practices usually have a credentialing department, with multiple full-time staff members. The key to the in-house approach is that you have full-time staff, who are entirely (or at least primarily) focused on credentialing. This allows staff to gain enough experience to complete credentialing reliably & efficiently.

For smaller practices, with less than 30-50 practitioners, credentialing won't be a full-time position. While it may seem reasonable to make one of your office staff responsible for credentialing, this approach has a few issues, as well as some hidden costs:

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- Part-time in-house credentialing will be inefficient due to lack of experience.

- Assigning skilled staff to credentialing will detract from other responsibilities.

- Office staff are often already overwhelmed.

- Any staff project entails opportunity costs

- Credentialing may take more time overall, which may impact practitioners' ability to see patients.

These are some of the reasons why, in our experience, outsourced credentialing usually works better for smaller practices.

Types of Credentialing Services

When exploring outsourced credentialing services, it's important to understand your options, and the advantages & disadvantages of each type of service. In general, credentialing services fall into three broad categories:

- Low-cost credentialing services

- Medical billing companies that offer credentialing services

- Dedicated credentialing platforms

Your particular needs will indicate which of these will be the best choice for you (though there is one you should avoid in most situations).

LOW-COST CREDENTIALING SERVICES

If you search online for "credentialing services," you will find multiple listings that advertise fast, easy, hassle-free credentialing for a very low price. Usually, the price listed is only for a portion of the project, and the final price will be much higher. The quality of customer service also varies widely.

MEDICAL BILLING COMPANIES THAT OFFER CREDENTIALING SERVICES

Since credentialing & medical billing are so closely linked, many medical billing companies provide credentialing services, either as a benefit to their billing clients or as a standalone package. In this arrangement, the credentialing service has a long-term interest in the success of the client, so customer service is often much better quality. The cost of these services tends to be on par with others.

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CREDENTIALING PLATFORMS

A number of companies offer software platforms to manage the various components of credentialing applications. These include:

- HealthStream's VerityStream

- MedTrainer's QuickCred

- Modio Health

- Cabem

- SmartSheet for Healthcare

- Symplr

These platforms are usually designed for & targeted towards hospitals & larger practices that have in-house credentialing departments. They may not be practical for smaller practices & independent practitioners.

The real value of your time

While credentialing is an expense, the real cost of credentialing is in the time a physician is working - or not. A delay in credentialing can lead to a period of time not working, or not seeing patients with certain insurances. The cost of lost income from delays can easily be many times more than the cost of credentialing itself.