



## CREDENTIALING – It Doesn't Have To Be Painful



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Credentialing can be defined as the process for validating the qualifications of professionals. The process is an objective evaluation of a person's current licensure, training, experience, competence, and ability to provide specific services or procedures. Credentialing is required by insurance companies, hospitals, medical groups, malpractice carriers – in fact, any facility, organization or institution which needs to verify the qualifications and background of medical providers. Credentialing is a necessary part of being in practice, but it does not have to be painful.

Physicians today continue to be under many types of pressure. Reimbursement for taking care of patients continues to decrease while the costs of operating a medical practice keep rising. There are no signs that either of these trends is going to end any time soon. The Center for Medicare and Medicaid Services has warned that Medicare fees may start decreasing in 2006 or 2007. Insurance carriers, under economic pressures of their own due to the fluctuations in the economy, are looking for new ways to reduce payments to physicians.

Expenses are increasing constantly. Malpractice and health care premiums continue to rise at an alarming rate. Labor costs are also escalating because of the additional staff required to comply with insurance and governmental regulations. It is becoming increasingly difficult to be paid by insurance carriers at all, let alone to be paid the correct amounts the insurance carriers are contractually obligated to pay.

Physicians and other providers of medical care face the challenge of looking for new ways to automate as many tasks as possible and being able to redirect staff time to both direct patient care, as well as trying to improve the bottom line of the practice.

Credentialing of medical providers presents an overwhelming burden to physicians and their staffs. In an attempt to lessen this burden, practices have begun to utilize one of the many new credentialing services that have opened across the country. If you are not credentialed as a participating provider with insurance plans, you either will not be paid, payment will go directly to the patient or you will receive lower nonparticipating reimbursement rates. Insurance companies are also requiring more and more information from providers and medical practices. Some of these requirements are driven by the National Committee for Quality Insurance ("NCQA"), while others are specific to certain insurance companies.

Most insurers require the same information – but all want it in a different format. As a result, the staff in medical practices must spend considerable time providing the same information on a variety of different credentialing forms. This burden is further compounded when applications for malpractice coverage and applications for hospital staff privileges are included. The Medical Group Management Association (“MGMA”) reports in the November/December 2004 issue of *Connexion* magazine that practices submit 17.86 credentialing applications per physician each year on average, with each requiring an average of 69 minutes of support staff time and 11.27 minutes of physician time to prepare.

In addition to the time-consuming activity of manually completing forms, practices then need to reproduce copies of all the supporting documentation that must accompany each application, such as medical licenses, Drug Enforcement Administration (“DEA”) certificates, state controlled drug certificates, and residency and fellowship verification. In 2002, the American Medical Association, in its *AMNews*, estimated the administrative cost to physicians was \$1 billion.

However, even with all of this work, the practice does not have a comprehensive way to track expiring licenses, board certifications, continuing medical education (“CME”) credits and other credentialing data. As many physicians know, it is necessary to be attentive to when licenses and DEA certificates expire since the appropriate governmental authorities do not always notify providers in sufficient time for renewal.

After everything is complete, the credentialing process starts all over again every one, two or three years, depending upon the type of application that is required. Your staff should be spending more time attending to patient care issues and looking to increase the efficiency of your billing system than completing credentialing forms.

The Council for Affordable Quality Healthcare (“CAQH”) offers a credentialing option for medical practices through its Universal Credentialing DataSource program. The program utilizes one standard application instead of multiple, organization specific credentialing applications. Periodic updates are required to ensure the timeliness of data.

CAQH did not turn out to be the panacea that everyone hoped it would be. The process with CAQH has shifted the administrative burden and expense of data entry from managed care companies to practice administrators as a requirement of allowing practitioners to participate. There is an additional administrative burden in that practices must update their CAQH data every 90-120 days whether or not there have been any changes.

Physicians have expressed concern about the security and ownership of their information. CAQH is organized and funded by a number of managed care plans. What if CAQH or its subsidiaries are sold or cease to be in business, who owns the information about the providers? This information includes data on malpractice claims, which doctors, understandably, guard very



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carefully. If this information were to get out inappropriately, it could cause irreparable harm to physicians.

CAQH is also not a complete solution for a medical practice. It is not accepted by all insurance companies and does not address malpractice applications or hospital staff privilege applications. In addition, CAQH does not provide individual or office productivity features. It offers no warning process for practices to inform them that medical licenses, DEA certificates, etc. are about to expire. The burden still falls on the practice to monitor all of these processes.

New credentialing services have opened around the country, and they utilize sophisticated credentialing software, designed specifically to facilitate the tasks involved in the credentialing process. These companies take the information provided by the practices and populate a database. This database is then available to complete any type of application, whether it is for managed care plans, including CAQH, malpractice coverage or hospital staff privileges. The software tracks expiring credentials and ensures that they are kept up to date. These systems also typically allow all pertinent supporting documentation (photographs, licenses, DEA certificates, board verification, references, etc.) to be scanned and automatically attached to any applications that may require it. The companies use software designed by vendors such as SyMed, IntelliSoft, Vistar, Wybtrak, FoxWiz, Eco Apps and Visual Cactus.

The credentialing companies are also available to track a physician's progress through the credentialing maze. They will contact the requesting organization and follow-up with them on a regular basis. They will report their progress back to the practice, eliminating the office's need to do this tedious work.

In addition, these systems have the capability to track and report back information on CME credits, which are becoming increasingly important both for licensure, as well as for managed care plans. The practice has the ability to receive reports on any of the data elements in the system and request that additional "user" defined data be tracked. Often, credentialing systems even allow for resumes and curriculum vitae to be created.

Credentialing is here to stay – and the demands may become even more onerous in the future. It is up to physicians and practice managers to embrace the new technologies that are available and try to minimize the administrative burden to their practices. Let your staff do what they do best – care for patients and make sure your practice stays financially viable. Let specialists in credentialing handle the rest. Credentialing is still a pain, but it no longer has to be painful.

For further information on the credentialing process or how you can benefit from utilizing Cowan, Guteski & Company's credentialing services, contact Michael Lewis at 732-349-6880 ext. 147 or [mlewis@cowanguteski.com](mailto:mlewis@cowanguteski.com).



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