Top 4 Steps for Getting Started with Delegated Credentialing

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Delegated credentialing can save time, money, and effort for health plans and provider groups. But it's not for everyone. Providers need to fully understand what's involved and assess their readiness to take on enhanced credentialing responsibilities. Here's how.

Introduction

Credentialing is a key part of the provider enrollment process with significant implications for patient safety, care quality, and the financial success of a payer-provider partnership.

However, credentialing can be time consuming and labor intensive, especially for health plans who may have tens of thousands of clinicians to validate on a regular basis. It can take months for a provider to receive approval to start working with a health plan – and every extra day of waiting to be credentialed equates to lost revenue for their practice.

To speed up the process while maintaining an appropriate level of professional scrutiny, many health plans authorize their provider partners to conduct credentialing activities on their behalf. This is known as delegated credentialing.

Delegated credentialing has many benefits for both health plans and providers. Plans can offload some of the administrative burdens to provider groups, while provider organizations can gain additional control over the credentialing process to get high-performing clinicians enrolled more quickly.

However, there are also challenges involved on both sides. Provider groups may struggle to manage complex compliance requirements, especially if they are operating in multiple states. They might also face issues with regular auditing or submitting accurate and timely data to health plans. Meanwhile, health plans must still invest resources to maintain oversight of their delegated entities.

In order to become an efficient and effective delegated credentialing entity, provider groups need to be sure that they have the knowledge, resources, and support to succeed. Here are the top four issues to consider before engaging in delegated credentialing with a health plan.

01 Understand the basics of delegated credentialing

Delegated credentialing has its upsides, but it might not be for everyone. Before committing to the responsibility, potential delegates should learn what's involved and carefully assess their capabilities and resources.

The first step is making sure the organization is eligible to participate. Many different types of organizations can become delegated entities. Medical groups, independent practice associations (IPAs), health systems, and specialty provider networks such as dental or vision care providers can all successfully participate in delegated credentialing.

Generally, larger provider groups have the most to gain from becoming delegated entities, but smaller organizations may wish to explore their options if they work in underserved regions or serve specialty patient populations.

NCQA, the de facto industry standard for credentialing accreditation, allows health plans to delegate a number of different activities to these types of organizations, including credentialing, utilization management, population health management, and complex case management.

Once they decide to proceed, eligible groups – and their health plan partners – should be clear about what delegated credentialing really means for both parties.

Delegated credentialing goes beyond the basics of credentials verification because the delegated entity is responsible for evaluating practitioners' qualifications and making credentialing decisions.

However, while the health plan is delegating the authority to conduct credentialing on its behalf, the plan is not abdicating responsibility for making sure that the credentialing decisions made by their partners are compliant and appropriate.

Health plans will maintain strong oversight of their delegated entities. Provider organizations must be willing and able to show evidence that they are complying with agreed-upon policies and procedures.

Clarity around the role of each party is crucial for long-term success. Provider groups might also benefit from ensuring that their financial incentives align with the health plans in question and that there are always clear channels of communication between partners to enable collaboration and mutual success.

02 Complete pre-delegation activities and requirements

Even before receiving approval to start credentialing providers, healthcare organizations will need to complete a number of tasks that demonstrate their ability to successfully credential providers, including (but not limited to) the following.

Form an internal credentialing committee

Providers will need to form an internal credentialing committee and establish credentialing policies and procedures that meet strict compliance requirements. This committee should include active clinical practitioners who can make informed decisions about their colleagues and peers. Committees will need to keep detailed minutes of all their activities, which will be reviewed by the health plan regularly.

Develop compliant credentialing policies and procedures

Providers won't be completely on their own when establishing the policies and procedures to govern their credentialing activities. There are several organizations, including NCQA, that provide frameworks for credentialing activities. Providers that receive NCQA Credentialing Accreditation (or the equivalent from another nationally recognized body) will have a head start with creating their operating guidelines.

Complete a pre-delegation audit

Before getting approval to conduct credentialing for a health plan, a provider group must submit a pre-delegation assessment. During this process, the health plan will review the provider's policies and procedures and may also examine the organization's overall ability to meet the demands of becoming a trusted credentialing partner.

NCQA accreditation can help to speed up this process, since the health plan can be certain that the provider group has already passed muster on key criteria.

Negotiate an equitable delegation agreement that outlines roles and responsibilities

Once the provider group has been assessed, the partners can begin to outline a formal agreement governing their credentialing relationship. This document will include details of the activities within scope, the oversight and reporting mechanisms involved, practitioners' rights to their own data, recredentialing timelines, and what will happen if either party fails to meet expectations.

03 Maintain compliance with industry standards and state regulations

At its core, credentialing is a compliance activity. Credentialing ensures that clinicians are adhering to professional standards of quality, safety, and ethics. This chain of compliance must extend upward through the entire credentialing process, from the clinicians themselves to their employers; from employers to health plans; and from the health plans to industry regulators and lawmakers.

As a result of this multi-layered approach, delegated entities have a variety of responsibilities to prove their adherence to credentialing rules.

Provider groups will undergo yearly audits from their health plans and will be required to produce detailed evidence that they are following standard procedures for reviewing clinical eligibility. Delegated entities with NCQA accreditation can skip some of the elements of the yearly audit since the accreditation serves as evidence that specific criteria are being met.

Yearly audits may also include an assessment of data privacy and security, a review of at least three months of credentialing committee minutes, and a thorough examination of performance evaluated against NCQA standards.

Health plans will often use these yearly audits as an opportunity to share ideas for improvement and identify issues with existing policies and procedures that should be changed.

But there's an extra layer of complexity for provider groups operating in multiple states. While many of the NCQA Accreditation Standards align or overlap with state laws, specific states may have unique requirements, especially when it comes to their Medicaid programs. Medicare and Medicare Advantage may also have their own regulations to follow.

Provider groups must be aware of the regulations for each of their operating regions and health plans of choice so they can adjust their policies and procedures accordingly.

04 Engage expert support to ensure long-term success

Becoming a delegated credentialing partner is a complex process that takes time, effort, and investment. Provider groups that wish to reap the rewards of delegating credentialing but aren't sure where to begin might benefit from working with a third-party expert who can start them off on the right foot.

An experienced delegated credentialing consultant can help to create new policies and procedures or review existing documents, assess compliance with state regulations and NCQA guidelines, form an effective credentialing committee, and establish data reporting infrastructure.

Gaining an outside perspective can be critical for provider groups, especially first-time entrants into the delegated credentialing space. Taking on a credentialing partnership if the organization is not prepared could be damaging to the group's financial health and reputation, so providers need to make certain that they are completely ready for the challenge before diving in.

Organizations also need to keep in mind that even with NCQA accreditation, approval criteria might differ from one health plan to the next. Provider groups may submit the same information to multiple

health plans and receive different answers about their readiness and viability. A consultant can help providers sift through their results and quickly turn around a revised application so they can avoid leaving potential revenue sitting on the table.

Similarly, health plans all have unique reporting requirements that may use disparate technologies and data formats. Data errors are unfortunately common throughout the credentialing process. These errors can slow down credentialling approvals or lead to incorrect reimbursement denials, which have a direct effect on the providers' bottom line.

A third-party assessment can help provider groups decide if credentialing software is appropriate for their needs and how to leverage these tools to meet obligations for multiple payers. Investing in the right software tools could significantly lower costs, speed up turnaround, and improve satisfaction with the credentialing process across the board.

Conclusion

Delegated credentialing brings value to both health plans and providers, but it isn't always easy to get started.

Before agreeing to take on the added responsibility, provider groups must thoroughly understand what delegation entails, how they will allocate their existing resources, and how to work effectively with multiple health plans in a complicated environment.

Success depends on implementing a knowledgeable credentialing committee, a robust compliance framework, and a fair agreement with each health plan partners. With the right tools, technologies, and guidance, provider groups can take more control over their credentialing activities to safeguard patients, improve quality, and enhance their practice revenue.