

A Comprehensive Guide to Delegated Credentialing:

How Automation can elevate Provider Onboarding While
Maintaining Credentialing Quality in the U.S. Healthcare System.



Overview: What is Credentialing and Why is it Necessary?

Credentialing is a critical component of quality management in healthcare to ensure patient safety. It requires Healthcare Providers to be regularly vetted and authorized to deliver care. Providers must be credentialed at every healthcare organization they work at, even if it's within the same Health System network. They must also be re-credentialed every two to three years based on the employer's guidelines. Furthermore, Providers also undergo Credentialing with each Payer to become a part of their network. While Credentialing is essential for maintaining high standards in Provider Networks, it hinders strategic growth, affects revenue cycle efficiency, and compromises data accuracy. The duration of the Credentialing process can extend for several months, delaying Providers' ability to offer patient care and process billing. This is a significant administrative challenge for Providers, Healthcare personnel, and Health Systems.

According to a study by AMN Healthcare

\$2.3
Million

Average revenue generated
by a Physician on behalf of
their affiliated hospitals.

The prolonged Credentialing timeframe can result in substantial financial losses, estimated at \$9,000 per day for each Provider because of deferred or missed revenue opportunities. Poorly managed Credentialing processes can have dire consequences for healthcare organizations, including patient loss, harm, or even fatalities, due to postponed or unarranged treatments. These issues not only strain a Health System's financial standing but also tarnish its reputation.

There is an efficient way: Delegated Credentialing.

This efficient approach streamlines the Payer Enrollment and Credentialing process, significantly reducing the time and resources required. This white paper provides Health Systems with everything they need to know about Delegated Credentialing and how automation can help save more time and resources involved in Delegated Credentialing.



Understanding Delegated Credentialing

Delegated Credentialing is a regulated process by which a Payer grants a Health System or a Healthcare Organization the authority to perform a contractually defined set of Credentialing functions on its behalf while maintaining oversight of the proper execution of these functions.

Health Systems and Payers are increasingly embracing Delegated Credentialing as a strategic move to enhance efficiency and reduce costs. This streamlined approach utilizes the specialized expertise of other organizations, either internally or externally, to manage the complex Credentialing process. Through Delegated Credentialing agreements, Payers thoroughly assess a healthcare organization's Credentialing procedures. Upon meeting rigorous standards, the Credentialing responsibility is transferred to the healthcare organization, significantly streamlining the Provider Enrollment process, accelerating patient care delivery, and facilitating quicker reimbursements.

Why should Health Systems adopt Delegated Credentialing?

Effective Delegated Credentialing can be a strategic game-changer, enabling rapid network growth, streamlining Provider Onboarding, enhancing the accuracy and management of Provider Data, minimizing contract negotiation times, and significantly boosting revenue cycle health. In a Delegated Credentialing framework, Providers undergo Credentialing once through their employing facility, bypassing the additional step with the Payer.

While Payers are backlogged with verifications and enrollments, Health Systems want to speed up the Credentialing process to get Providers in front of patients sooner. Due to this, Delegated Credentialing is especially beneficial as it allows Health Systems to quickly navigate the Credentialing backlog, ensuring Providers can deliver patient care faster.



How does Delegated Credentialing work?

Delegated Credentialing entails two parties: the Payer, also known as the delegator, and the delegate, who is responsible for Credentialing. Payers delegate certain parts of the Credentialing process, such as Primary Source Verifications to healthcare organizations with greater resources and infrastructure. In addition to verifying credentials, the delegated entity is responsible for assessing Providers' qualifications and making Credentialing decisions on behalf of the delegator (Payer).

Before entering into a Delegated Credentialing agreement, the healthcare organization must establish a robust Credentialing process that complies with accreditation standards and effectively puts them into action. Before finalizing a Delegated Credentialing agreement with a healthcare organization, the Payer assesses the organization's capacity to carry out Credentialing responsibilities. This assessment includes a detailed examination of the organization's understanding of standards and delegated duties, its protocols, and documentation, as well as an evaluation of its workforce and operational efficiency.

The NCQA is the industry standard for Payer Credentialing. Hence, most Payers will require that the healthcare organization's processes and procedures are compliant with relevant NCQA Standards and Guidelines. The NCQA Credentialing Accreditation indicates that your healthcare organization maintains a streamlined and precise procedure that:



Validates Providers' credentials via primary sources.



Establishes a dedicated Credentialing committee to assess Provider credentials and offer recommendations.



Adheres to state regulations regarding Credentialing.

Upon finalizing the agreement, the healthcare organization's responsibility will encompass Credentialing. This involves the regular submission of an updated Provider Roster to the Payer, typically every month. A Provider Roster is a pivotal document that the delegated healthcare organization submits to the Payer, facilitating the association or disassociation of a Provider with the Health System. These rosters contain essential details such as changes in status, address, billing information, and any additions or termination of Providers. Once the Payer receives and processes a roster update, any new Provider can be classified as "Participating," thereby becoming eligible for reimbursement.



While the delegated entity oversees the process, the Payer still maintains decision-making authority. Ultimately, it is the Payer who decides whether a Provider should be accepted into their network or not. The following is a step-by-step procedure for how Delegated Credentialing typically works.



Select a Delegated Entity

Healthcare organizations opt for a trusted entity like a CVO or an automated platform to manage the Credentialing process, if they lack the process to internally manage Delegated Credentialing.



Enter a Delegation Agreement

A formal agreement is established between the delegator and the delegated entity, outlining responsibilities, expectations, and compliance requirements.



Go Through Primary Source Verification

The delegated entity verifies the Provider's qualifications by directly contacting primary sources to confirm education, licensing, and more.



Evaluation and Approval

The delegated entity evaluates qualifications, makes Credentialing decisions, and communicates them to the Payer for approval.



Payer Enrollment and Ongoing Monitoring

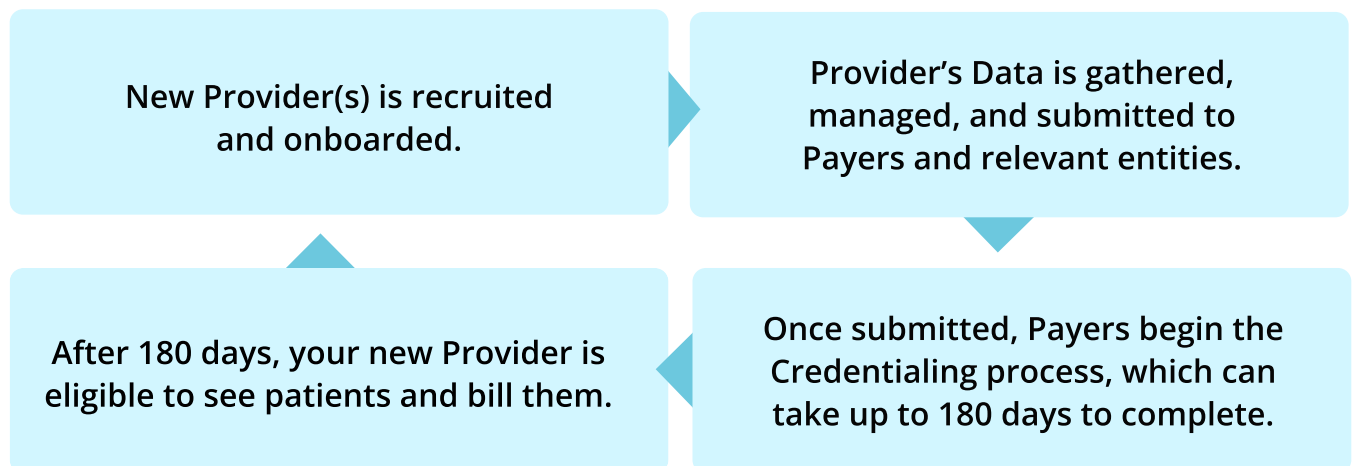
Approved Providers are enrolled in the Payer network, and ongoing monitoring ensures compliance, while periodic reviews and audits maintain quality and regulatory adherence.



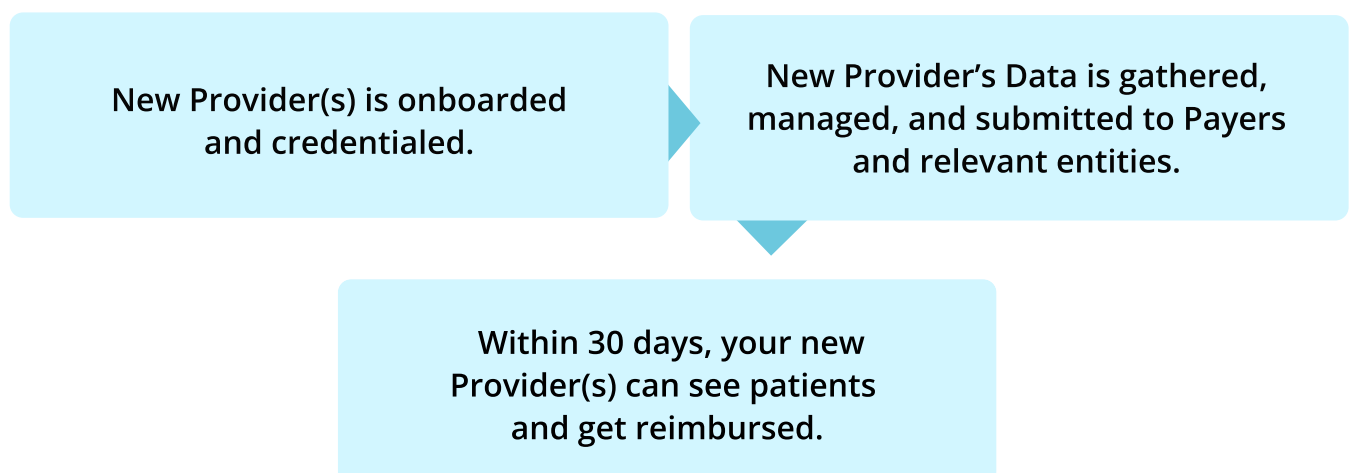
What makes Delegated Credentialing so effective?

Healthcare organizations with Delegated Credentialing are more attractive to Payers due to the reduced workload on the Payer's end. A significant advantage for healthcare organizations is the expedited process of Provider Onboarding and Enrollment with Payers, a win-win for both Providers and Health Systems.

Non-Delegated Credentialing



Delegated Credentialing





Requirements for Delegation

There are numerous aspects to consider when it comes to Credentialing. While there are foundational requirements - establishing essential protocols, formulating policies, and ensuring streamlined solutions are in place, we will focus on the precise data requirements imperative for effective Credentialing.

- The NCQA permits Payers to delegate the tasks of Credentialing and Re-Credentialing to entities like Physician Group Practices and Health Systems to streamline processes and enhance efficiency by minimizing duplication of efforts and oversight.
- The NCQA prohibits delegating tasks related to specific standards and elements like member experience, privacy, confidentiality, and marketing information.
- According to the NCQA, Payers are not permitted to delegate their oversight of the healthcare organization conducting the Delegated Credentialing. If the delegate opts to sub-delegate to a Credentials Verification Organization (CVO), the oversight of this sub-delegate can be determined by mutual agreement between the delegator and the delegate.

Here is a snapshot of the important data required for Payer Credentialing:



State Licensure

Verification of a Provider's license to practice medicine within a specific state.



DEA Registration

Ensuring that Providers who prescribe controlled substances are registered with the Drug Enforcement Administration.



CDS Certification

Verification of certification for handling Controlled Dangerous Substances, such as opioids.



Board Certification/Specialty Information

Confirmation of a Provider's Board Certification and Specialization.



Education

Verification of a Provider's educational background, including medical degrees and training.



Requirements for Delegation



Malpractice History

Review of a Provider's malpractice history and any past claims.



Professional Liability Claims Settlement History

Confirmation of settlements related to professional liability claims.



Work History

Verification of a Provider's work history, including previous healthcare institutions.



Hospital/Facility Affiliations

Ensuring that Providers are affiliated with accredited healthcare facilities.



Disclosure Questions

Review any disclosure questions related to criminal history or ethical violations.



Attestation

Provider attestation to the accuracy of their credentials and information.



Sanctions & Exclusions

Checking for any sanctions or exclusions that may disqualify a Provider.

Pro Tip:

Provider Passport effortlessly automates all Primary Source Verifications required to meet Delegated Credentialing mandates. Rest assured that PSVs are not only dependable but also efficient that will help you reclaim valuable weeks otherwise lost to manual verification processes.

A healthcare organization with an optimized Credentialing process is crucial for setting expectations, ensuring adherence to regulations, and clarifying each party's duties.

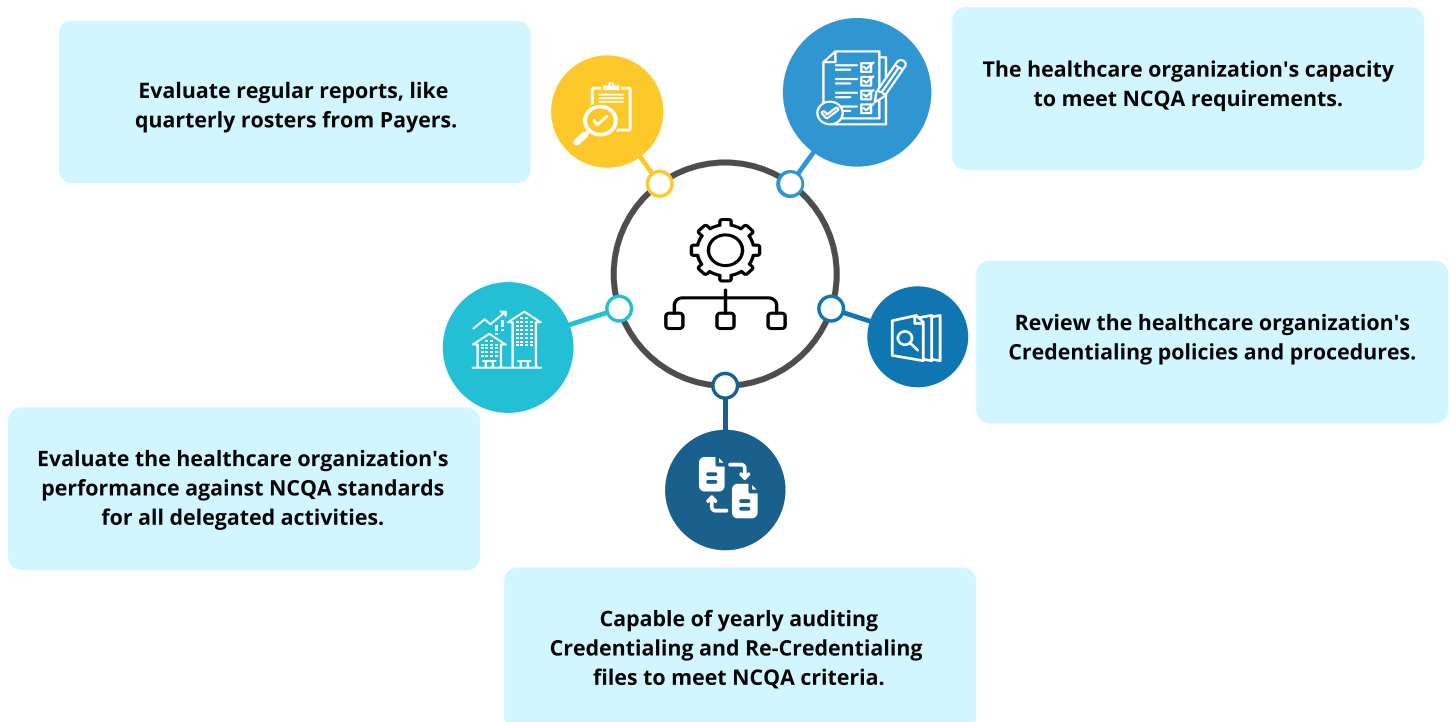


A delegation agreement should:

- Be mutually agreed upon.
- Clearly outline the delegated activities and the responsibilities of both the healthcare organization and the Payer.
- Require proper reporting by the healthcare organization to the Payer.
- Detail the data evaluation process.
- Specify that the Payer retains the right to approve, suspend, and terminate Providers.
- Describe the alternatives available to the Payer if the healthcare organization does not fulfill its responsibilities.

Note: Provider Passport helps you establish a delegation agreement with your preferred Payers effectively.

5 Ways Payers Evaluate a Healthcare Organization for Delegated Credentialing



Pro Tip:

Leverage Provider Passport's automated solution that flags exceptions needing attention, such as expired documents or ongoing monitoring of databases, to stay compliant and audit-ready while minimizing the risk of oversight and regulatory violations.



Benefits of Delegated Credentialing

Benefits for Health Systems

- Streamline the Payer Enrollment process by eliminating the 180+ days delay
- Reduce administrative and financial burden associated with Credentialing in-house
- Accelerate Privileging timeframes effectively
- Gain authority over Provider Data within Payer systems and directories
- Mitigate Provider information access issues proactively
- Optimize revenue cycles efficiently
- Cut down Payer contracting turnaround time significantly
- Elevate the overall Physician/Provider experience

Benefits for Payers

- Efficiently resolve Provider network adequacy challenges
- Expedite turnaround time for Provider network participation
- Facilitate network growth
- Reduce expenses associated with Credentialing in-house
- Reduce administrative burden associated with Credentialing in-house
- Fast-track Provider access
- Enhance Physician/Provider experience
- Allocate resources towards quality enhancements and prioritize oversight audit initiatives

By undertaking delegated responsibilities, Health Systems and Payers achieve unprecedented enhancements in the procedures governing the expansion of their network. This leads to decreased turnaround times for network participation, improved Provider satisfaction, and accelerated access to revenue.



How Provider Passport can Help

Utilizing an automated platform that unifies Credentialing, Privileging, Payer Enrollment, and Provider Data Management under one roof for Delegated Credentialing can help streamline your organization's daily operations, ensuring seamless functionality for employees, the healthcare organization, and the patients under your care. These enhancements directly translate to significant time and cost efficiencies.

Provider Passport's centralized and automated data management system streamlines access to Provider information, minimizes errors, and eliminates duplicate data. Timely compliance with Payer requirements is maintained through automated data aggregation and verification processes, leading to significant time and resource savings.

Provider Passport provides invaluable insights and comprehensive reports to help you maintain transparency with Payers and exceed their standards. Leveraging our profound understanding of NCQA, we are well-equipped to support you in preparing for and navigating audits to deliver top-notch care and uphold regulatory compliance.

Automated Credentialing

An efficient Credentialing solution that runs Primary Source Verifications autonomously from 400+ (and counting) Primary Sources in seconds.

Automated Provider Data Management

Provider Passport aggregates Provider Data autonomously from primary sources in real time so that you don't have to toggle between spreadsheets and databases for up-to-date and accurate data for Credentialing.

Ongoing Monitoring of Key Databases

Provider Passport continuously monitors critical databases like OIG, OFAC, and SAM to promptly flag exceptions and proactively alert both Providers and Healthcare Administrators.

Autonomous License Renewals

Efficiently monitor Providers' expiring licenses, get notified about upcoming renewals, and submit renewal applications autonomously.

Automatically Track your Expirables

Provider Passport's AI-powered OCR engine extracts the issue date and expiration date from the expirable documents and sets up tracking for all documents automatically.



The screenshot displays the Provider Passport web application. At the top, there is a navigation bar with tabs for Dashboard, Tasks, Expirables, Credentiaing (selected), Privileging, Virtual Boards/Committee, Staff, and Enrollment. Below the navigation bar, there is a search bar for providers and a table listing provider information. The table has columns for Provider Name, Specialty, Location, NPI Number, Initial Credentialing Date, Credentialing Cycle, Re-Credentialing, and Action. The table shows 16 providers, all with a location of 9721 Cogdill Rd Ste 302. The bottom of the interface shows a pagination bar indicating 'Showing 1-16 of 1000' and a page number '2'.

Provider Name	Specialty	Location	NPI Number	Initial Credentialing Date	Credentialing Cycle	Re-Credentialing	Action
Oliver Brown	Radiology	9721 Cogdill Rd Ste 302	4455154555	05/22/2023	June 2023 → June 2026	06/22/2026	View
Henry Carter	Toxicology	9721 Cogdill Rd Ste 302	4958320460	05/22/2023	June 2023 → June 2026	06/22/2026	View
Michael Ross	OBGYN	9721 Cogdill Rd Ste 302	6879012432	05/22/2023	June 2023 → June 2026	06/22/2026	View
James Williams	Psychiatry	9721 Cogdill Rd Ste 302	0067098534	05/22/2023	June 2023 → June 2026	06/22/2026	View
Jeff Hinderson	Hematology	9721 Cogdill Rd Ste 302	9978854596	05/22/2023	June 2023 → June 2026	05/22/2023	View
Skyler White	Physiotherapy	9721 Cogdill Rd Ste 302	9985123486	05/22/2023	June 2023 → June 2026	06/22/2026	View
Joseph Hudson	Immunology	9721 Cogdill Rd Ste 302	9988503495	05/22/2023	June 2023 → June 2026	06/22/2026	View
John Evans	Radiology	9721 Cogdill Rd Ste 302	9871234567	05/22/2023	June 2023 → June 2026	06/22/2026	View
Mary Smith	Pathology	9721 Cogdill Rd Ste 302	0098765878	05/22/2023	June 2023 → June 2026	06/22/2026	View
Robert Smith	Oncology	9721 Cogdill Rd Ste 302	088723456	05/22/2023	June 2023 → June 2026	06/22/2026	View
Amey Beth	Pediatric	9721 Cogdill Rd Ste 302	0096450234	05/22/2023	June 2023 → June 2026	06/22/2026	View
Maria Gracia	Optometry	9721 Cogdill Rd Ste 302	0985120436	05/22/2023	June 2023 → June 2026	06/22/2026	View
Charles Taylor	Primary care	9721 Cogdill Rd Ste 302	0878450745	05/22/2023	June 2023 → June 2026	06/22/2026	View
Elizabeth Wilson	Anesthesiology	9721 Cogdill Rd Ste 302	0945105412	05/22/2023	June 2023 → June 2026	06/22/2026	View
Catherine Samuel	Radiology	9721 Cogdill Rd Ste 302	6790349634	05/22/2023	June 2023 → June 2026	06/22/2026	View
Laura Beth	Orthopedic	9721 Cogdill Rd Ste 302	9045975345	05/22/2023	June 2023 → June 2026	06/22/2026	View
Daniel Jordan	Orthopedic	9721 Cogdill Rd Ste 302	9054238034	05/22/2023	June 2023 → June 2026	06/22/2026	View

Conclusion

Delegation is the faster and safer way to ensure Credentialing quality.

Established standards of Credentialing are crucial for maintaining quality and accountability within healthcare. Credentialing Delegation plays a significant role for Health Systems with advantages such as reduced turnaround time for verifications, enhanced Provider availability, faster enrollment with Payers, and cost savings. With Health Systems broadening their reach geographically, the evolving regulations can appear daunting to navigate.

With Provider Passport, you can confidently navigate the Delegated Credentialing process, saving time, resources, and personnel while ensuring compliance.

Get a demo of Provider Passport today to uncover the optimal Delegated Credentialing solutions tailored to your Health System's needs.

Visit: providerpassport.co/get-demo